SENATE—*Monday, June 29, 1992*

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the Honorable HOWARD M. METZENBAUM, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

"And ye shall know the truth, and the truth shall make you free."—John 8:32.

Eternal God, perfect in truth, justice, righteousness, and love, at a time when, to many, truth is a matter of opinion, help us to appreciate the indispensable value of truth. Help us to appreciate the security of truth in contrast to the vulnerability of error, the power of truth in contrast to error which is fragile, the perseverance of truth, whereas error is temporary. Help us to see truth as a fortress, error a house of cards; truth as immutable, error as capricious; truth as inexorable, error as impotent. We are thankful that truth prevails when error capitulates, truth edifies when error destroys. Truth is eternal, error is transitory.

God of truth, give us the grace to pursue the way of truth and forsake the way of false. In the name of Him who is the Truth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 29, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. LIEBERMAN thereupon assumed the chair as Acting President pro tempore.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. CRANSTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from California [Mr. CRANSTON] is recognized.

THE FREEDOM OF CHOICE ACT

Mr. CRANSTON. Mr. President, today is a dark day for Americans. The Supreme Court has given Government a continued go-ahead to intrude into the personal, private lives of American citizens.

The most fundamental right of privacy—the freedom of choice to determine whether to bear a child—has little meaningful constitutional protection.

The consequences of today's decision will be devasting to millions. In many States, cruel bureaucratic obstacles will deliberately be placed in the path of women seeking to terminate a pregnancy. The real life results of today's decision will be to impose undue delays for women seeking abortions, making it more difficult and more costly.

Although the Court has stopped short of overturning Roe, it has continued to whittle away at these fundamental rights until they have become a hollow shell. America will become a patchwork of conflicting State laws, where freedom of choice will depend upon where a woman happens to reside.

Since America's women no longer can look to the Supreme Court to safeguard their rights, Congress must act on their behalf. We have the legitimate power to restrain State governments from interfering with the freedom of women to terminate a pregnancy.

We can implement that by passing national protections, specifically the Freedom of Choice Act which I authored. It is now in a new form with a substitute measure authored by Senator MITCHELL, myself, Senator METZENBAUM, who is on the floor, Senator KENNEDY, and many others. And I am glad to know that the committee handling that measure will report it favorably day after tomorrow, Wednesday, to the Senate floor. The Senate will therefore be able to take it up very soon.

We must enact the Freedom of Choice Act to protect the rights of America's women.

I yield the floor.

Mr. METZENBAUM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Ohio [Mr. METZENBAUM] is recognized.

Mr. METZENBAUM. Mr. President, I join Senator CRANSTON speaking out upon this subject today. The Supreme Court has, indeed, acted by a 5-to-4 decision.

Even though *Roe* v. *Wade* has not been overturned—the Supreme Court decision makes it clear that Congress—not the Court—is the place where a woman's right to choose will be protected. I was relieved that five Justices did not declare *Roe* v. *Wade* dead law, but the decision today sapped Roe of all its meaning.

When *Roe* v. *Wade* was the law of the land one thing was clear, a woman, and only a woman, decided whether to terminate a pregnancy before viability. This new decision puts the Government between a woman and her doctor, allowing Government to decide if, when, and how she may exercise her right. It overturns earlier decisions that prohibited Government from burdening the woman's right to choose.

Congress cannot let a woman's fundamental right to choose hinge on a single vote in the Supreme Court or on the whim of a runaway State legislature. Every woman in every State must have the same right to choose.

Women should not be put back into the position they were in yesteryear where they had to choose which State they could go to in order to obtain an abortion. The Freedom of Choice Act will guarantee women's rights in all 50 States.

On Wednesday, the Senate Labor and Human Resources Committee on which I serve will send this legislation to the full Senate. It is the duty, and responsibility, of the full Congress to act now to protect a woman's right to choose, and I predict that this Congress will act and send this measure to the President.

Mr. President, I yield the floor.

Mr. BRYAN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Nevada [Mr. BRYAN].

Mr. BRYAN. I thank the Chair.

YUCCA MOUNTAIN, NV

Mr. BRYAN. Mr. President, this weekend Mother Nature sent a wake-up call to America's policymakers. As reported in the Washington Post, two huge earthquakes rocked southern Californians. One registered 7.4 on the Richter scale, the largest earthquake reported in the United States in nearly 30 years; 3 hours after, a second earthquake struck southern California reg-

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

istering 6.5 on the Richter scale. Two lives have been lost and extensive property damage has been sustained. The Governor of California has declared that a disaster area, and the President will most surely respond.

Tragic as that is for all of those victims, both those whose families have lost their loved ones as well as the many families which have suffered devastating property damage, the most profound implications lie elsewhere. And that is that Yucca Mountain, NV, the site for the proposed high-level nuclear waste dump.

This morning, Mr. President, in the early morning hours a third earthquake, an earthquake whose epicenter was some 30 miles from Yucca Mountain registering 5.6 on the Richter scale, causing some damage at the site, including broken glass, and power lines that are down.

The most disturbing and troublesome aspect of this is that this region, which is the third most earthquake-prone region in America, with 32 separate active faults running through Yucca Mountain, is proposed as the high-level nuclear waste dump in America where 70,000 metric tons of the most dangerous material known to mankind is to be impounded.

The decision to locate a high-level nuclear waste dump in an area where 32 active earthquake faults traverse the area, in an area that has one of the most active earthquake zones in America, defies common sense and logic.

The U.S. Technical Review Board recently advised and informed the Department of Energy that the Department should place far greater emphasis on the seismic activity around Yucca Mountain. Unfortunately, science and technology have not yet advanced to the stage of being able to provide advance warning of earthquakes. Not only will we not know when an earthquake will hit near or in Yucca Mountain, but we will not know the intensity or the damage an earthquake is likely to inflict.

The risks the Department of Energy are prepared to run are not simply at Yucca Mountain but also along the roads and rail routes leading through Nevada and the rest of the American West, as high-level nuclear waste pours in from every point on the compass. As we look at the film footage of the California earthquake's revealing structural damages, roads ripped up, bridges and railroads damaged, we should reflect upon the impact this earthquake could have if the trucks or trains had been caught on the move during this earthquake.

Despite this appeal to reason and common sense, Department of Energy officials have been sending out soothing and reassuring comments designed to quiet the public's concerns and fears about the location of the proposed high-level nuclear waste dump. It is as if the captain of the *Titanic* indicated that while he fully understood there was extensive iceberg activity in the area, the passengers aboard should not be unduly alarmed.

These earthquakes come at a time when the Department of Energy is now advocating taking significant shortcuts in health and safety regulations to accelerate the program. There is also pressure building to speed up this program in the Congress in an effort to reduce the massive costs to the program. These political pressures to take shortcuts should be evaluated in light of the tremendous seismic activity we have witnessed this weekend. Earthquakes of intense and damaging consequences to transportation and storage facilities can happen with little or no warning, and I remind my colleagues, with devastating implications for the health and safety of my fellow Nevadans.

I yield the floor.

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak for not to exceed 12 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ANOTHER STEP TOWARD OFFICIAL STATE ATHEISM

Mr. BYRD. Mr. President, with many of our colleagues and millions of concerned Americans, I was disturbed by Wednesday's Supreme Court decision holding that nonsectarian invocations and benedictions at primary and secondary school graduations are unconstitutional.

The case in question involved the uttering 3 years ago by a Rhode Island rabbi of an innocuous but uplifting nonsectarian benediction at a public middle school graduation ceremony.

Mr. President, I would like to share with our colleagues this heinous and subverting prayer that the Court majority found so offensive and oppressive:

O God, we are grateful to You for having endowed us with the capacity for learning which we have celebrated on this joyous commencement.

Happy families give thanks for seeing Your children achieve an important milestone. Send Your blessings upon the teachers and administrators who helped prepare them.

The graduates now need strength and guidance for the future; help them to understand that we are not complete with academic knowledge alone. We must each strive to fulfill what You require of us all: to do justly, to love mercy, to walk humbly.

We give thanks to You, Lord, for keeping us alive, sustaining us and allowing us to reach this special, happy occasion. Amen.

According to the 5–4 majority opinion, the public pronouncement of those words by a clergyman of any faith constituted an infringement on the rights of any child objecting and "* * *places public pressure, as well as peer pressure, on attending students to stand as a group or, at least, maintain respectful silence during the Invocation and Benediction. This pressure, though subtle and indirect, can be as real as any overt compulsion.* * *"

Mr. President, since the earliest European settlements on this continent, religion has been a vital element in American life.

Since the founding of the earliest American public schools, prayer has been a dimension of school life.

But now the Supreme Court has decided that prayers in the presence of children 18 years old and younger can somehow scar their psyches or otherwise psychologically damage them.

The first amendment states, "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof;* * *."

Historically, that passage was explicitly written into our Bill of Rights at the insistence of James Madison. Its roots were in an appeal directly to Madison by Baptist ministers in Madison's Virginia who had suffered overtly from the establishment in Virginia during the Colonial era of an official Anglican state church, to which tax moneys had been paid—tax moneys that had been coercively collected from all Virginians—Anglicans, Baptists, Catholics, or whomever. Out of those taxes, Anglican churches had been maintained, and none other, and Anglican clergy paid, and none other. That, Mr. President, is the meaning of "an establishment of religion."

But from that understandable caveat in the Bill of Rights, opponents of all religion—opponents even of philosophic theism—have fashioned "the wall of separation between church and state." Using that doctrine as a club, these haters of religion in any form have sought persistently to drive any expression of religious faith out of American public life. Paradoxically, in that effort, these most intolerant of all people have used our courts to violate the latter half of the Constitution's utterance on religion, which reads," * * * or prohibiting the free exercise thereof. * * * "

How ironic that, as the officially atheistic Soviet Union disintegrates and, after 74 years, Orthodox priests are again participating in official public ceremonies in Russia; Russian and Ukrainian and Baltic churches long in state hands are being returned to Orthodox, Catholic, and Protestant congregations; and American ministers are being allowed to purchase time on Russian state television—how ironic it is that the U.S. Supreme Court, in alliance with religious denigrators in this country, have succeeded in erecting another pillar of state atheism in the United States.

One must wonder, Mr. President, with some sense of the sardonic, how many more symbols of public religion the Supreme Court will find to outlaw.

The Pledge of Allegiance contains the phrase "* * * one Nation, under God, * * *." Perhaps that, too, will be found to corrupt young minds and will have to go.

Some people across the country have complained about the daily invocation here in the Senate and in the House of Representatives. Perhaps congressional invocations will be the next targets for obliteration in this struggle to stamp religion out of our national life.

In courtrooms from coast to coast, witnesses regularly affirm the truthfulness of their oaths with a hand on the Judaeo-Christian Bible and the words "* * * so help me, God." Will that formula be ruled oppressive and unconstitutional, also?

Or perhaps someone will take drastic and psychological offense at being forced to carry in their wallets currency—paper and coin alike—on which one reads the words "In God We Trust."

Or are we to face a day when the inaugurations of all of our Presidents since George Washington will all be declared in violation of the Constitution—"an establishment of religion"—because clerics invoked and blessed the ceremonies and the Presidents took their oaths with a hand on the Bible and also spoke the phrase "* * * so help me, God"?

Mr. President, if I may be forgiven for quoting Scripture here on the floor of the U.S. Senate, the New Testament carries the phrase "straining at gnats and swallowing camels." Is that not a characterization of much of the Supreme Court's attitude toward religion and morality? Obscenity, pornography, flag-burning, and the public funding of antireligious art have been respectively declared by past Supreme Court rulings to be constitutionally protected, while other Supreme Court rulings have sought—as in last week's ruling—to protect the innocent minds and hearts of children and teenagers in our public schools from the perverting influences of the least mention of the Deity or the offering of words of gratitude to any Transcendent Person.

Throughout our history, Mr. President, Congress has held itself, or had itself held, free from establishing or prohibiting religion.

Perhaps the Supreme Court should examine its own biases and determine whether or not it is guilty, by its lopsided rulings, of prohibiting, oppressing, and persecuting the free exercise of religion, even in the least offensive cases to come before it.

I hope that the Supreme Court's twisted casuistry on state-church questions will cease before history records finally that the United States of America, once founded on principles of religion and by largely religious immigrants, eventually evolved by court fiat into the world's most oppressive and most intolerant officially atheistic state.

Mr. President, I thank the distinguished Senator, Mr. SYMMS, for his courtesy in allowing me to go forward with these remarks.

I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Idaho, [Mr. SYMMS] is now recognized to speak for up to 40 minutes.

Mr. SYMMS. Mr. President, I thank you very much.

A TRIBUTE TO SENATOR JESSE HELMS

Mr. SYMMS. Mr. President, Boris Yeltsin's recent address to the joint session was historic, not just because he was the first Russian Federation President to address the Congress, but because he proposed for the first time to build the relationship between our two countries on the basis of truth.

Mr. President, I regret that one of our colleagues, the distinguished senior Senator from North Carolina [Mr. HELMS], was not present to hear that address because of his recent surgery; yet the breakthroughs achieved by Mr. Yeltsin—an end to lies, an end to communism, arms control with real reductions, the opening of former Soviet archives on POW/MIA's and on the shootdown of Korean Airlines flight KAL 007—were goals for which the Senator has worked throughout his career. Indeed, the Senator deserves credit for urging Mr. Yeltsin to adopt these goals.

When Gorbachev was President of the U.S.S.R. he talked about glasnost, or openness; but Gorbachev's glasnost was really a program of deceit. It remained for Mr. Yeltsin to put the lie to Gorbachev and to demand truth as his standard.

Last week, Mr. Yeltsin said:

> It is Russia that once and for all has done away with double standards in foreign policy. We are firmly resolved not to lie any more, either to our negotiating partners, or to the Russian or American or any other people.
>
> There will be no more lies—ever.
>
> The same applies to biological weapons experiments, and the facts that have been revealed about American prisoners of war, the KAL 007 flight, and many other things. That list could be continued.
>
> The archives of the KGB and the Communist Party central committee are being opened.

Mr. President, those of us who have consistently worked hard to expose the fact that deception after deception has characterized Soviet policy are not only heartened by President Yeltsin's forthright declaration, but vindicated.

That is why, I think it is unfortunate that our distinguished colleague, Mr. HELMS, was not able to attend Mr. Yeltsin's address, as I already mentioned.

As we all know Senator HELMS is recovering from major surgery and, I might add, recovering very well. And I might say, for the interest of my colleagues, that I had the opportunity to visit with him by telephone this morning and he is out of the hospital. He is recovering. He is walking. He says he often gets tired, but he is making a speedy recovery and looks forward to his return here to this body.

So I think, Mr. President, that it is time and it is appropriate in view of the Yeltsin address to the joint session, and in view of the fact that while Senator HELMS could not be with us, that he was there in spirit, that we do pay tribute to this distinguished senior Senator from North Carolina.

It is one of life's ironies that he was not able to be present for Mr. Yeltsin's declaration. That declaration represented the fruition of so much of the work that JESSE HELMS has done in foreign policy during the past 20 years. No one has done more to bring about the Yeltsin-style glasnost than JESSE.

I would like to be more specific.

The very agenda of Mr. Yeltsin's visit—truth, not deception, the end of communism, real arms control with real reductions, and the opening of the KGB archives on POW/MIA's and KAL 007—are the very issues that have had the highest priority in the work of the distinguished Senator from North Carolina. Indeed, the Senator has been a vocal supporter of Mr. Yeltsin from the moment that the Russian leader arrived on the international scene. At a time when the administration and the experts were enamored over Gorbachev's diehard reform communism, the Senator from North Carolina argued that the future lay with Mr. Yeltsin, who represented the only democratic hope of the Russian people.

And, in fact, it is probably Mr. HELMS who has worked the hardest with Mr. Yeltsin to persuade him to open KGB archives in a collaboration that has extended over many months. Mr. Helms sent letters to Mr. Yeltsin last December asking for his cooperation on both topics, and had his Senate staff work very closely with counterparts on Mr. Yeltsin's staff to find the documents upon which Mr. Yeltsin's comments and his letter to the Senate on pilots downed in the U.S.S.R. were based. I shall shortly lay this cooperation upon the record. But first I want to put it in the broader context of Senator HELMS' record in the Senate.

HELMS' SUCCESS RECORD

As usual, Senator HELMS was ahead of some of the rest of us in this body, and ahead of the administration, that he has been privileged to work with during his time in the Senate.

However, it is not unusual for Senator HELMS to be ahead of his time. We all know JESSE to be a man of principle. He knows that in the long run, the most pragmatic men are men of principle. While so many public leaders get enmeshed in stupid orthodoxies,

dictated by passing fancies, or some internal need to be perceived as part of the consensus, the man of principle looks behind the process to the underlying causes. In the long run, the long-term principle wins out. In short, principled positions equate commonsense pragmatics.

Although the liberal media try to portray our colleague as a man out of step, the media is actually a step or two behind him, because they lack his vision. Let me give a few examples.

Not long after he entered the Senate, the distinguished Senator from North Carolina befriended a British politician named Margaret Thatcher, and showed her around town when she came to Washington. That was in 1974. The official powers-that-be did not want to visit with her. She was not yet Prime Minister then. The press and the State Department said she was too far on the fringe and would never amount to much. But JESSE thought otherwise.

Another example: When Alexandr Solzhenitsyn was suddenly expelled from the Soviet Union, Mr. HELMS was already on the phone to him in Zurich while he was still en route to the United States. The Senator from North Carolina put together a broad coalition to assure passage in the Senate of a bill for honorary citizenship for Mr. Solzhenitsyn.

In fact, Mr. President, one of the first people that Alexandr Solzhenitsyn visited in the United States was Senator JESSE HELMS at his house in Alexandria, VA, on his first arrival here in this city. For JESSE had read about him, he had read the book "The Gulag Archipelago," and had seen that it contained the essential truth about the Soviet Union and the essential truth about communism. Although there was a lot of sympathy generated because of the brutal treatment of Solzhenitsyn the dissenter, it was not politically correct to accept the content of the Solzhenitsyn message. But Solzhenitsyn's trumpet was not an uncertain one; it cracked the walls of the Communist Jericho. When the walls fell a year ago, everyone saw that Solzhenitsyn—and Senator HELMS—had been right all along.

Mr. President, I might also say, so had Ronald Reagan when he called the Soviet Union the Evil Empire. In fact, he understated the case.

Mr. President, let us choose another illustration: When President Carter and the whole establishment urged the approval of the Panama Canal Treaties, Senator HELMS was at the center of the opposition. He said that the surrender of the canal would be perceived as a sign of weakness, and that the Government of Panama was so small and so weak that it would fall prey to powerful forces that wanted to control the canal. He specifically pinpointed the problem of corruption and narcotics trafficking and the involvement of Torrijos and Noriega in drugs.

And a few months after President Carter ratified the canal treaties, Fidel Castro noted the power vacuum which the giveaway of the Canal created. He called together the rival factions of the Sandinista guerrillas, and gave them the direction, the funds, and the arms to overthrow the Government of Nicaragua. Castro's plan succeeded. Yet several times the Congress of the United States voted to provide foreign aid to the Communist Sandinista government of Nicaragua; and each time Senator HELMS opposed such aid, saying that it would only consolidate the power of the Sandinistas—which is exactly what it did, and Nicaragua became a threat to the peace and freedom of the Western Hemisphere for a decade.

Mr. President, when Senator HELMS returned to the subject of Panama, he was the first to draw attention to the further role of Noriega as a big-time drug trafficker and a dictator oppressing the people of Panama. Many Senators were unaware who Noriega was, much less what he was, but the Senator from North Carolina knew and patiently explained Noriega's role with the drug king-pins, his violations of human rights, his murder of Hugo Spadafora. These explanations received nothing but denials and ridicule from the media and the administration. But eventually President Bush had to send United States troops to rescue Panama from Noriega's clutches, and Noriega himself stands convicted in the United States Federal court in Miami. Of course this was not a surprise to Senator HELMS, as he had spoken about it repeatedly on this floor over a period of years prior to this event.

Let us take a look at China, another area of interest to the world, to this body and to the United States in general: The distinguished Senator has also been an articulate supporter of freedom for the people of China. He has always been a warm friend of the Republic of China on Taiwan, which held aloft the torch of freedom for the people on the mainland. And although the Republic of China never became the military liberator of the mainland, as some had imagined, the example it provided of economic growth through the private sector eventually became even more subversive of the regime in Peking than a military invasion ever could have been. The demand for economic rights spilled over into the demand for political rights.

Senator HELMS could see this would happen. He had long believed that the way to win over the Communists' hearts and minds and souls is bomb them with Sears catalogs, Mr. President, because that is a way for them to see the message.

Senator HELMS kept in close touch with the student groups on the mainland at a time when the experts in the State Department would support only those dissidents who wanted to reform rather than overthrow communism. I have learned that Senator HELMS' statements on behalf of the students were faxed to Peking by students here, and were passed around Tiananmen Square by hands eager not only for English, but for freedom. When the old regime at last passes, it will pass quickly, and in some part it will be thanks to Senator HELMS and his efforts.

Mr. President, it is also noteworthy that Senator HELMS was the first person in this body to pinpoint the use of slave labor by the Chinese Communist regime to produce articles for export. Think of that, Mr. President: not only did the Communists enslave persons to work for nothing, but they used that labor to produce goods for export to undercut the jobs of hard-working Americans. As usual, the experts scoffed at these claims, and asserted that there was no way to prove the case. So the Senator brought real experts to testify before the Senate—real experts who had actually been in the slave labor camps. One of these former inmates was courageous enough to go back to the slave camps in China, posing as a United States importer, and make secret videotapes which millions of Americans saw on CBS' "Sixty Minutes." This so shamed the administration that I see an antislave labor treaty has just been concluded with China.

Again thanks to Senator HELMS' persistence to principle, he ended up being the most pragmatic of all.

Similarly, Senator HELMS was a bold supporter of the Baltics at a time when the State Department recognized the Baltics at best to be an embarrassment. The Senator had his staff comb the United States Archives, as well as archives in Great Britain and Germany, for authenticated copies of the secret protocols to the Molotov-Ribbontrop pact which delivered the Baltics to the Soviet Union. Senator HELMS inserted these authenticated copies in the CONGRESSIONAL RECORD, where they were published for the first time in the world in complete form. Just as in Tiananmen Square, the Helms Baltics speeches were passed hand to hand as the brave people of Lithuania rallied to throw off their Soviet oppressors.

Finally, I might note that Senator HELMS has been a voice of conscience on Iraq. He was a strong supporter a few years ago of the amendment to put Iraq on the list of terrorist nations. He then opposed the increase of trade and credits with Iraq, particularly items that might have a strategic military purpose. Long before the gulf war, he was calling for sanctions against Western business firms that were selling to Iraq materials to make weapons of mass destruction, including poison gas. United States diplomats made ever-so-soft objections to the chief offender,

our friend and ally, West Germany. Not Senator HELMS. He objected.

However, when the Senator publicized the names of corporations making money out of the death trade in statements which were reproduced in many countries throughout the world, Germany was forced into a crackdown. Last year, the Senator succeeded in pushing through legislation with tough sanctions—over the determined opposition of financial and business interests who wanted no constraints on their right to sell poison gas.

Eventually the Iraq situation deteriorated. Saddam Hussein became a threat to the region, exactly as Senator HELMS had feared. President Bush unleashed Operation Desert Storm, which the Senator strongly supported. But Operation Desert Storm would have been unnecessary had the experts in town listened to our colleague during the preceding years.

Mr. President, this is just a partial list of important positions which Mr. HELMS has taken in foreign policy issues over the years where his stand on principle, lonely at the time, has eventually been vindicated by the passage of time. Of course, you do not make friends when you stand on principle, and especially when you stand on principle and turn out to be right. A stand on principle can be forgiven around this town, but being proved right can never be forgiven. So in every administration, people who were about to be proved wrong would get upset with Senator HELMS. They did not like his habit of blowing the whistle when they were wearing no clothes. Nevertheless, this is the kind of opposition that one must cherish, wearing it as a badge of honor, and flaunting it in the face of the consensus builders.

Of course Senator HELMS is known as a courtly gentleman, and not one to attack his opponents on a personal basis. I examined the records and found that 88 percent of the time his votes have supported the administration. Yet, from time to time, now a Secretary of State, now a Secretary of Defense, now a National Security Adviser would have some reason to get upset with the Senator.

This almost always happened when he deemed that they were doing something that they would live to regret, that would turn out to put egg on their face, so to speak, and the Senator had not hesitated to point that out. In doing so, the policy either was changed, or modified, or the Senator's prediction of failure was borne out.

On more than one such occasion, the Senator in doing so has performed a stunning public service. His success record shows that he has served the American people well. His fretful opponents should be grateful when they have such an astute critic as the distinguished Senator from North Carolina.

Mr. President, I would like to address Senator HELMS' actions on arms control.

Mr. Yeltsin is determined that there will be no more lies in the relationship between the United States and the Federated Russian Republic. Indeed, he has said that arms control in particular has been based on deception for more than 40 years.

Now that is exactly what Senator HELMS has been saying since he came to the Senate. Down through the years, he missed no opportunity to expose Soviet cheating and violations in arms control. At a time when it was unfashionable to believe that arms control really meant control of arms, and not some fancy dance with smoke and mirrors, Senator HELMS did not hesitate to press various administrations to reveal specific Soviet violations.

When most experts were willing to conceal outrageous, bad behavior on the part of the Soviets, and to overlook the ambiguities in arms control treaties that allowed the Soviets to drive whole new classes of ICBM's straight through, Senator HELMS called for real reductions in levels, real definitions on constraints, and real compliance.

In the 1987 INF Treaty debate, Senator HELMS played one of the most constructive roles of all the Senators then in this body. His probing questions raised issues that took several months to debate and to answer, when the plan had been to push the treaty through in a few weeks without question.

During the hearings before the Senate Foreign Relations Committee he systematically went through the treaty line by line. He pointed out that the treaty did not require the destruction of any nuclear warheads, which the proponents attempted to deny. He said that the loss of the Pershings would make NATO useless. He said that the Soviets were lying about the number of SS–23's they had, and that they could very well conceal an undestroyed fleet. He pointed out that the Soviet repression of ethnic and religious groups meant that the Soviet Union might come apart, making the treaty worthless or hard to enforce.

It was interesting that 72 SS–23's banned by the INF treaty have since been detected in Eastern Europe. President Bush has confirmed in two Presidential reports to Congress that the former Soviets negotiated in bad faith on the INF Treaty and these banned SS–23's under Soviet control in Eastern Europe violated—or probably violated—the INF Treaty.

During the hearings—and I might say because of his persistence, what would have passed in a few weeks took several months to come through, and a great deal was exposed during the hearing process—he systematically went through the treaty, line by line. He pointed out the treaty did not require the destruction of those weapons.

He was very successful, in my view, in pointing out that we were still being deceived by Gorbachev at the close of his time in office with respect to arms control treaties. It was just the U.S.S.R.'s modus operandi. In the way they did business; there were no real reductions in nuclear weapons.

When we look at NATO, we see that it has collapsed as a significant military institution, just as Senator HELMS predicted. When the Berlin Wall fell we found out the Soviets did have a secret fleet of undisclosed SS–23's and those illegal SS–23's are still in Eastern Europe. We do not know what to do about them. And of course now we see the Soviet Union has collapsed because of the ethnic and religious rebellion.

Mr. President, it was the same thing with the CFE Treaty. Senator HELMS was aware of the fact that the Soviets had falsely reported the numbers of treaty-limited equipment—and continued to press the administration on this and other problems. The administration knew that it could never get a treaty approved based upon such bad faith action by the Soviets as long as Senator HELMS stood at the Senate gate, and the result was that the treaty was delayed for over a year, by which time it was largely overtaken by events. As it was, the Senate accepted two important conditions to make the Soviets own up to the truth. Now, with President Yeltsin's admissions that Soviet arms control was based on deception, and his declarations that the truth shall be known, Senator HELMS is vindicated.

Similarly with START. When President Yeltsin made an informal visit to the Senate last year, and, for the first time, admitted that Soviet policy in arms control had been based on deceit and deception for 40 years, Senator HELMS applauded. But long before the treaty was sent to the Senate, Senator HELMS made known to the administration the problems he saw in the way the negotiations were going.

It was clear that the Soviet military hardliners were walking back the negotiators from positions already agreed to, and demanding new loopholes which they got. He pointed out that there was no hard capability to destroy either nuclear warheads or delivery vehicles—just launchers. Senator HELMS noted that there was no real reduction in capability in the SS–18 class, the Soviet first-strike superweapon; despite the cutback in numbers of launchers, the Soviets were to be allowed to upgrade the number and accuracy of MIRV'd warheads, giving them a better bang for the same buck, or perhaps I should say a better rumble for the ruble. Senator HELMS said that unless there were real reductions in SS–18—that is to say—a massive shift away from a first-strike posture—there was no change in Soviet nuclear doctrine.

Some argued that as long as the United States retained a sufficient

number of nuclear weapons to respond to a first strike, that is so-called minimal deterrence, it didn't matter how many weapons the Soviet had, even if they cheated. However, that is not a strategic doctrine, not even a military doctrine. It is a head-in-the-sand doctrine.

Of course, a massive change in nuclear doctrine is just what President Yeltsin promised last week, again vindicating the past criticism of START by the senior Senator from North Carolina.

Signing the START Treaty on July 31, 1991, was the last significant act of Mr. Gorbachev. He was the front man with the smiling face doing the bidding of the hard-nosed hard-liners who refused to change their strategic doctrine even in the face of economic disaster. They hoped that smiling-face Gorbachev would rescue the military-based economy with hand-outs from the West. So when Gorbachev returned from the London economic summit without any cash in hand, his usefulness was at an end, his perestroika was an internal liability, and he was overthrown a few days later.

Surprisingly enough, despite the fact that the START Treaty had been signed, it was still incomplete. The administration claimed that they were working out some minor technical problems, but in arms control technical definition is all. It was months before the START Treaty was sent to the Senate, an unprecedented delay.

In the meantime, the disintegration of the Soviet Union, and the stillborn status of the Commonwealth of Independent States left a real problem: Who was the START Treaty with, anyway? The nuclear weapons covered by START were in four independent nations, which were not ready to cooperate with each other. Nor was Russia the legal successor to the Soviet Union. The State Department advised making a deal with Russia alone. But Senator HELMS sent a letter to the administration insisting that there be a new protocol assuring the compliance of all four countries, before the START Treaty is taken up. Secretary Baker overruled the State Department experts and came back with such a protocol. Once again Senator HELMS was ahead of everybody else.

Mr. President, we should not be surprised that Senator HELMS is so in tune with the events which unfolded during Mr. Yeltsin's visit last week. The Senator was an early supporter of Mr. Yeltsin at a time when the sophisticates in the administration were attempting to portray the Russian leader as incapable, unkempt, and an alcoholic.

But our colleague urged support not only for Mr. Yeltsin, but for the independence movements in the Baltics, the Ukraine, Georgia, and other Republics. He believed then, and still does, the only way for there to be real progress is to bring an end not just to the Communist Party, but to the Communist system under whatever name. But who was listening? Russia was the first country to recognize the independence of the Baltics; the United States was the last.

Mr. President, it is highly significant that the reason President Yeltsin gave for agreeing to the unprecedented cuts in nuclear strategic deployment, including the elimination of the massive SS–18s, was the fact that Russia was broke and could no longer afford to maintain them.

It is not surprising that Senator HELMS was one of the first to pinpoint the fact that Soviet military spending was not only outstripping United States military spending, but outstripping the ability of the Soviet economy to sustain itself. The academic experts were still predicting that the Soviet economy was strong, and asserting that the Soviet people still strongly supported the system, when a staff study by the minority staff of the Senate Foreign Relations Committee in 1989 showed that Soviet military spending under Gorbachev was 26 percent of the Soviet GNP, a far higher level even than the CIA had estimated. Unfortunately for the CIA's analysis, Gorbachev a few months later confirmed the exact levels that Senator HELMS' minority staff on the Foreign Relations Committee had said in 1989.

If United States START negotiators had listened to Mr. HELMS in 1990 and agreed with the levels of Soviet military spending his report indicated, they would have had much stronger leverage against their Soviet counterparts. Instead of giving in to the Soviet hard-liners, United States negotiators should have demanded more. So the unprecedented reductions announced by President Bush and President Yeltsin could very well have come much sooner if the United States had listened to Senator HELMS' advice.

POW/MIA'S HELMS AND YELTSIN

Now, Mr. President, let us turn to the next item on Mr. Yeltsin's list of dramatic surprises, the announcement that United States POW's from Korea and Vietnam had been taken to the Soviet Union and kept in work camps, and his offer to open KGB and Central Committee files to joint teams of investigators. In this regard I am pleased to note the remarks delivered in this Chamber last Thursday by the senior Senator from Iowa [Mr. GRASSLEY], and the article from the Richmond Times-Dispatch of June 21 entered into the RECORD by my distinguished colleague. Senator GRASSLEY emphasized the critical role of Senator HELMS in calling attention to this issue, and frankly, Mr. President, none of these revelations might have come to light, had not Senator HELMS so tenaciously pursued this issue. It is certainly clear that, although Mr. Yeltsin did not say that United States POW/MIA's are still alive in Russia, his unprecedented offer of cooperation indicates a complete change of heart in the approach of the leadership of Russia on this issue.

This offer quite obviously stunned the American foreign policy establishment. The bureaucratic operatives have been trying desperately to put major spin control on Yeltsin's statements. First they said that President Yeltsin must have misunderstood the question, or that the interpreters mistranslated what he said, or that he was misinformed. Finally, I am told that, in desperation, some spokesmen were saying privately that Yeltsin must have been drunk.

Mr. President, Mr. Yeltsin knew very well what he was doing. He knew how to get around the bureaucracy and go straight to the hearts and minds of the American people. He had already begun a preliminary search of the KGB files that indicated the possibilities of what he said.

Mr. President, I doubt that Mr. Yeltsin would have adopted this attitude of openness and cooperation had not JESSE HELMS specifically urged him to address himself to this question. For Senator HELMS himself had in hand a study of United States archives, and wanted to study the Soviet side of the same story.

As ranking minority member of the Foreign Relations Committee, Senator HELMS secured the signatures of 92 Members of this body on a letter to President Yeltsin last December asking for his cooperation in opening the KGB files on the POW/MIA question. We see a lot of letters around here, but seldom do we see such unanimity on a controversial issue. Senator HELMS saw to it that a member of his committee staff hand-delivered the letter directly to Moscow as soon as it was signed, and established a working relationship. For the staffer took not only the letter, but the staff report on POW/MIA's which the Senator had distributed to his colleagues.

Mr. President, as we all know, Senator HELMS, as ranking minority, directed this staff more than 2 years ago to explore the vexing issue of POW/MIA's. The staff interviewed scores of MIA families and friends, went through thousands of declassified documents in the U.S. archives, and even got a change to go through hundreds of MIA cases in DOD classified files.

What they found was appalling. The official Government position for years has been that there was "no evidence" that any MIA's were alive. The appalling part is that the bureaucracy seemed to make sure that there was no evidence by adopting rules of procedure aimed more at discrediting and discounting every live sighting report rather than following it up.

Mr. President, I am not one who buys on to the conspiracy theory that it was

planned deception. It is simply, in my view, a result of a country, the United States of America, that wanted out of Korea, wanted out of Vietnam as quickly as possible when those wars ended, when they could be brought to an end. Moreover, the compartmentalized intelligence was uncoordinated. So it appears that the one hand sometimes did not know what the other hand was doing.

Mr. President, we certainly do not know all the facts on the POW/MIA situation. We do not know whether there are any alive or not. But the staff report presented to his colleagues by Senator HELMS has at least established a few facts:

The fact is that we left our men behind in all wars in this century.

The fact is that we knew we left our men behind.

The fact is that we knowingly left our men behind because there seemed to be other reasons of policy more important than the lives of our heroes.

Mr. President, when the magnitude of this becomes clear, the American people will demand justice. There are some people who believe that such actions should be hidden "for the good of the country." There are some people who claim that politics should not be involved in foreign affairs, as though foreign policy actions took place on some ethereal level above the hurley-burley of political decisionmaking.

But persons with those views have betrayed their country, betrayed the Constitution, betrayed the American people. Only on the political level can these outrages be ended.

That is why President Yeltsin's statements are so important. I hope that we find some of our men alive in Russia. But even if we do not, at least we will be able to know whether there are Soviet documents which take up where the United States documents leave off suggesting that United States POW/MIA's were taken to the Soviet Union. That is why the spin-doctors are rushing to discredit Mr. Yeltsin's statements.

However, Senator HELMS has already seen to it that Mr. Yeltsin cannot be discredited. The minority staff report already shows enough evidence on the United States side that the U.S. Government had plenty of clues pointed toward the conclusion that U.S. POW/MIA's were still being held after official statements that all had been returned. It was not only the case with Vietnam; it was with Korea, World War II, and even World War I. In every case, the U.S. Government knew that the Soviets were holding Americans, or had evidence they did not act upon.

Mr. President, allow me to recapitulate just a few of the facts that are carefully documented from U.S. Government files in the minority staff report.

WORLD WAR I

World War I: the American Expeditionary Force sent 5,000 soldiers into action against the Red army in 1918–19, to protect Allied storage depots at Archangel, in Siberia. According to the official history of the AEF, hundreds were missing in 1919. On the other hand, the official U.S. casualty lists reported that 144 were killed in action. But of the 144, nearly 90 percent were either MIA's declared dead, or declared killed in action, body not returned. As late as 1927, a defector met some of these MIA's in Lubianka and Solovetz Island Prison, identifying them by name to U.S. authorities in 1930.

Meanwhile, the Bolshevik regime sought U.S. recognition and assistance. In 1921, President Harding concluded the Riga Agreement, promising to provide food and medical assistance to 1 million Russian children, provided that all United States soldiers held prisoner by the Bolsheviks would be turned over. This was the basis of the Herbert Hoover mission. Even so, the U.S. Government had attempted to minimize the idea that MIA's might be held. Hoover later wrote in his memoirs that the U.S. Government was expecting 20 prisoners, but that the Bolsheviks turned over 100. Even so, as already noted, reports continued to be received that American POW's continued to be held in secret.

WORLD WAR II

World War II: 76,000 American prisoners taken by the Germans were in camps seized by Soviet forces. The Soviets placed every possible obstacle in the way of United States officials seeking a true accounting and release of these prisoners. Ambassador Harriman sent anguished cables to President Roosevelt not only about the refusal of the Soviets to live up to their obligations, but about the treatment the American GI's received. Harriman and John R. Deane, commanding general of United States Military Mission in Moscow, told Secretary of State Stettinius that no arguments would induce the Russians to live up to the Yalta Agreement, "except retaliatory measures which affect their interests." Among other things, they proposed that the press interview liberated U.S. POW's on the brutal treatment they had received.

However, Roosevelt accepted Stalin's assurances, and the opposite course was taken. U.S. Chief of Staff, Gen. George Marshall, issued orders as follows: "Censor all stories. Delete criticism Russian treatment." Despite plenty of Soviet noncooperation on POW's, the order went out "that no repeat no retaliatory action will be taken by U.S. forces at this time for Soviet refusal to meet our desires with regard to American contact teams and aid for American personnel liberated by Russian forces."

Once-secret cables and letters in the United States Archives show that on May 19, 1945, 25,000 Americans were estimated to be under Soviet control; on May 30, General Eisenhower's headquarters reported 20,000; on May 31, General Marshall reported 15,597 under the control of just 1 Soviet command.

The discrepancies here are not of great consequence; clearly there were thousands still being held on May 31. But on June 1, General Eisenhower signed a cable estimating that "only small numbers of United States prisoners of war still remain in Russian hands." This statement was immediately leaked to the press, and became public policy. Under Secretary of War Robert P. Patterson said: This means that it is not expected that many of those who are still being carried as missing in action will appear later as having been prisoners of war.

Secretary Patterson was right; very few did come back, but those who did reported seeing many hundreds—perhaps thousands—of America POW's in various Soviet gulags.

THE KOREAN WAR

The Korean war: In 1953, North Korea agreed to a prisoner exchange known as Operation Big Switch, based upon the principle of voluntary repatriation—14,200 Chinese POW's held by U.N. forces refused to return to Communist China; 21 U.S. POW's refused to return to the United States. But at the time of Big Switch, Gen. James A. Van Fleet, the former commander in Korea, estimated that "a large percentage of the 8,000 soldiers listed as missing in Korea were alive." Van Fleet's statement was apparently based on a U.N. reconnaissance command estimate, which also stated that many POW's had been transferred to Manchuria and the Soviet Union.

In Hong Kong, a defector was interviewed who reported that "several hundred" American POW's were seen being transferred from Chinese trains to Russian trains at Manchouli, near the border of Manchuria and Siberia on two occasions in late 1951 and 1952. Upon further interrogation, the informant was able to give many specific corroborating details, including the fact that each train consisted of at least seven passenger cars, and that a large number of the U.S. POW's were blacks, a fact which struck him because he had seen so few blacks before.

But by January 1954 a secret memorandum of the Secretary of the Army spoke only of 954 personnel believed to be held illegally, and complained it was costing over $1 million per year to carry them on the rolls as "missing." To avoid this expense, the memo argued, "it may become necessary at some future date to drop them from our records as "missing and presumed dead."

A DOD report of June 1955 on recovery of MIA's was even more blatant in its disregard of moral feeling:

If we are "at war" * * * casualties and losses must be expected and perhaps we must

learn to live with this type of thing . . . we may be forced to adopt a rather cynical attitude on this for a political course of action.

In May 1954 an official United States diplomatic note to the Soviet Union demanded an explanation of the persistent reports of United States POW's having been sent to the Soviet Union. The Soviets coolly replied that the American assertion "is devoid of any foundation whatsoever, and is clearly far-fetched."

VIETNAM WAR

Vietnam war: At the Paris peace accords of January 1973 both North Vietnam and the United States agreed that the exchange of POW's on both sides would be carried out at approximately the same time as the troop withdrawals. That exchange, called Operation Homecoming took place between February 12, 1973, and March 29, 1973. A grand total of 591 U.S. servicemen were repatriated.

Only nine of the men returned had been captured in Laos, all of them prisoners of the North Vietnamese rather than of the Pathet Lao. Yet United States officials believed that as many as 100 men were missing in Laos, and possibly still alive, based on inspections of crash sites and intelligence reports. Indeed, the Pathet Lao announced during Operation Homecoming that it had a detailed accounting of United States POW's captured in Laos, and that they would be returned in Laos, after the cease-fire. Dr. Kissinger in his memoirs speaks of 80 United States prisoners captured by North Vietnam who were identified as living through intercepted radio intelligence. Yet 2 weeks after Operation Homecoming, the U.S. Government stated that "There are no more prisoners in Southeast Asia. They are all dead."

Mr. President, Senator HELMS distributed the staff report a year ago. Even though it was a critique of policy, and made no attempt to resolve individual cases, it had a profound impact on the thinking of the major veterans' groups and on many Senators. One result was the creation of the Senate Select Committee on POW/MIA Affairs with the resources to examine some individual cases. And as the Soviet Union began to come apart, with the democratic election of Yeltsin, and the fall of Gorbachev, hope grew that the Soviet Union itself might help in these matters.

That is why Senator HELMS sent the letter signed by the 92 Senators to Moscow, where Yeltsin immediately understood the significance. The committee staffer who hand-carried the letter, a Soviet expert, was sent to Gen. Dmitri Volkogonov, a key military adviser to Yeltsin and a distinguished historian who had high-ranking access to the KGB secret archives. Indeed, General Volkogonov provided the access for the Soviet secret documents which have just gone on exhibit at the Library of Congress.

From these meetings grew a close collaboration, and Volkogonov's search of the KGB archives for POW/MIA material. What he found was the basis for the letter Yeltsin sent to the Senate just before his trip, and for Yeltsin's positive statements in Washington last week.

Mr. President, I ask unanimous consent that the letter to President Yeltsin, with a list of the 92 signatories in the Senate, be printed in the Record at the conclusion of my remarks, are attachment "A."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, no one knows what will be the result of the search of the KGB files. It may be that no living prisoners will be found. But if even one living American POW/MIA emerges from captivity, Yeltsin—and President Bush—will earn the undying gratitude of the American people.

I could go on and on and on about our great Senator from North Carolina, Mr. President, praising him for the things which he has seen before the rest of us. I would say again that oftentimes Senator HELMS is criticized in this body as an ideologue and not a pragmatist. But I have often said to Senator HELMS, "JESSE, you are the most pragmatic person in the Senate because if you adhere and stick to principle, in the end you will be proven right and that means you were practical and pragmatic all the way through." I think that is the case with Senator HELMS. Let me give an example with what President Yeltsin stated about KAL 007.

Mr. President, during his address to the joint session, President Yeltsin also stated several times that he was making a special search for documents relating to the shootdown of KAL 007, and had already found a memorandum suggesting that more might be found if they were not destroyed during the hardliners' coup last year.

Once again, I do not think that President Yeltsin would have addressed this issue had not Senator HELMS sent him a private letter on this topic. This second letter was hand-carried to Moscow at the same time as the POW/MIA letter.

Mr. President, I cannot think of another topic which has been more important to Senator HELMS than the KAL 007 matter. For 269 innocent people in that airplane are dead because of the Soviet rockets, 67 of those victims Americans, 1 of them the distinguished Congressman Larry McDonald. On September 1, 1983, Senator HELMS was standing in Kimpo Airport in Seoul waiting for flight 007. And I was standing next to him.

We had gone to Korea for a symposium at Seoul University to discuss the anniversary of the United States-Korea Mutual Defense Treaty. We had arrived at Kimpo on KAL 015 and had mingled with the passengers of KAL 007 in the transit lounge in Anchorage, AK, the two planes leaving within a few minutes of each other. We wondered why 007 was late, and it was not long before the whole world was wondering.

Many questions about this flight were never cleared up.

Why is that, despite an intensive search, no significant parts of the wreckage were ever found.

Why is it that no bodies were ever found when bodies from similar tragedies at sea have always been found scattered over the area?

Why is that no luggage was ever found when in similar tragedies luggage has always been found scattered?

Did the plane explode in a mid-air catastrophe, and if so, why, when other severely crippled 747's have remained at least partially under control?

Why did some radar reports say that the descent took 13 minutes after impact, when the pieces resulting from a mid-air catastrophe would have plummeted in less than 2 minutes.

Why did the U.S. Government fail to make an official investigation of the disappearance when the flight left a U.S. port and had as passengers 67 U.S. citizens, including a Member of Congress?

Mr. President, there are many, many questions about KAL 007 that were never answered. It was a key episode in our relations with the Soviet Union. Unless the truth behind these events could be obtained, there could be no reasonable basis for conducting intelligent policy. The failure of the U.S. Government to probe into these questions was a failure of U.S. Intelligence and U.S. policy.

Moreover many of those same questions began to be raised in the Soviet Union itself, even before the breakup of the empire. Almost 20 articles appeared in Izvestia purporting to give facts which contradicted the official Soviet account given in 1983, and Soviet immigrants came out of the country with first and second-hand accounts.

For these reasons, the distinguished Senator from North Carolina ordered his staff to make a review of the information in the possession of the United States Government, to analyze the Izvestia articles, and to debrief Soviet refugees who claimed to have knowledge. Once again he was a couple of years ahead of everybody else.

Although the results of KAL 007 staff study produced significant new information about the manner in which both the United States and Soviet Governments handled the situation, the study was not yet ready to be released. Some pieces of the puzzle were still missing, and they could come only from the Soviet Union. It was clear that a massive Soviet deception took place, a deception so significant that

even some elements of the Soviet power structure were kept in the dark. Even the highest Soviet officials were afraid to touch the topic. When Eduard Shevardnadze came to Washington, Senator HELMS sought his help; but no help was forthcoming.

The fall of Gorvachev, the possibility that the Soviet archives might be opened, and the dissolution of the Soviet Union then set for the end of December caused Senator HELMS to send the separate letter on KAL 007 to President Yeltsin. Clearly, President Yeltsin saw the opportunity to expose a festering sore covered up by Gorbachev and his predecessors, and to make honest relations with the United States possible.

Senator HELMS was there early on asking hard questions and he was vindicated once again when President Yeltsin addressed the joint session.

Mr. President, I congratulate Senator HELMS once more for his astute perception of the issues underlying our relationship with the United States.

Mr. President, I ask unanimous consent that the letter sent by Senator HELMS to President Yeltsin last December be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SYMMS. Mr. President, finally it is appropriate at this time to make some mention of the fine staff work that went into the minority staff report on POW/MIA's.

I would like to mention first Mr. Tracy Usry, the chief investigator. Mr. Usry is a topnotch professional who spent many years with the Criminal Investigative Division [CID] of the U.S. Army before retiring. Much of that time he spent working in Korea, Vietnam, and Thailand on POW/MIA issues for the military. He brought those skills to his interviews with POW families and those who claimed sighting or other firsthand information. His knowledge and experience permeate every page of the report.

Second, I must mention Mr. Daniel Perrin, the project editor and writer, who brought dogged determination and a penchant for detail, as well as his significant writing skills, to see the study through to a conclusion.

Last, it is appropriate to single out Dr. James P. Lucier, who was staff director to the minority, until his retirement early this year after 25 years of service on the Senate staff to seek other interests. I have known Jim and had the pleasure of working with him informally ever since I came to the Senate. There was hardly ever a project around the Senate to be undertaken for the good of the country that Jim was not involved in. He was never one to seek the limelight—low key, effective, with a powerful punch. He organized a highly efficient, flexible staff of experts whose clout literally reached around the world. Jim Lucier served the distinguished Senator from North Carolina well. Indeed, he served the Senate well, and all of his friends with dedication.

Mr. President, Senator HELMS has upheld the tradition of good staff work with the addition of retired Adm. Bud Nance as the staff director for the minority, working with David Sullivan and others who today carry on this important work for this important Senator.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, December 5, 1991.

His Excellency BORIS YELTSIN,
The President of the Russian Republic, The Kremlin, Moscow, U.S.S.R.

[Hand Delivered]

DEAR MR. PRESIDENT: The status of the thousands and thousands of American servicemen who were held by Soviet and other Communist forces, and who were never repatriated after every major war this century, is of grave concern to the American people.

As you may be aware, the United States Senate recently created a Select Committee on POW/MIA Affairs. The entire POW/MIA issue has been given impetus by extensive media coverage of photographs purporting to show U.S. servicemen alive and still held in captivity in Southeast Asia.

The recent publication of previously highly classified U.S. government documents has heightened the concerns of the American people. One of these documents, a memorandum circulated at the highest levels of the Supreme Headquarters of the Allied European Forces, stated that three weeks after the conclusion of World War II, the Stalin government still held 20,000 American soldiers. These men were being held in Nazi prison camps in Eastern Germany when the camps were overrun by what were then Red Army forces. These Americans were never repatriated.

Similarly, previously classified U.S. government documents stated that 954 U.S. soldiers were not repatriated by Communist forces after the Korean War. Other evidence exists that all U.S. personnel in the custody of Communist forces in Southeast Asia were not repatriated.

Please use your good offices, and your influence with the new Minister of Defense, Mr. Shaposhnikov, and the new head of the MSB, Mr. Bakatin, to facilitate the release of any GRU of MSB intelligence reports, files of information that may ease the pain for thousands of American families who have never learned the fate of their loved ones.

The United States must resolve this sensitive issue to restore its honor. In working with you towards this goal, we hope to forge a closer, democratic relationshp with Russia. Your assistance will be remembered by all Americans.

Sincerely,

Jesse Helms, Chuck Grassley, Bob Smith, Al Gore, Arlen Specter, Daniel Inouye, Paul Wellstone, Larry E. Craig, John F. Kerry, Richard Shelby, Larry Pressler, Herb Kohl, Connie Mack, Alan J. Dixon, Ernest Hollings, Bob Graham, Slade Gorton, Alfonse D'Amato, David L. Boren, Malcolm Wallop, Harry Reid, Chris Dodd, Strom Thurmond, Trent Lott, John McCain, Steve Symms, Nancy Landon Kassebaum, Bob Dole, Jake Garn, Orrin Hatch, Bob Kasten, Mitch McConnell, Frank H. Murkowski, John Warner, Jim Jeffords, Don Nickles, Conrad Burns, Dan Coats, Al Simpson, Dick Lugar, Wendell Ford, Mark Hatfield, Claiborne Pell, Pete Domenici, Hank Brown, Bill Cohen, Phil Gramm, Thad Cochran, Dave Durenberger, Jack Danforth, Kit Bond, Bill Roth, Ted Stevens, John Seymour.

Tom Daschle, Bill Bradley, Jim Sasser, Chuck Robb, John Breaux, Daniel K. Akaka, Brock Adams, Kent Conrad, John Glenn, Dan Riegle, Patrick Leahy, Joe Biden, Quentin Burdick, Dale Bumpers, John D. Rockefeller IV, D. Patrick Moynihan, Barbara Mikulski, Lloyd Bentsen, Dennis DeConcini, Bob Packwood, Richard H. Bryan, J. Bennett Johnston, Howell Heflin, Harris Wofford.

Alan Cranston, Ted Kennedy, J.J. Exon, Sam Nunn, Frank R. Lautenberg, Wyche Fowler, Jr., Tom Harkin, Jeff Bingaman, Max Baucus, Terry Sanford, Carl Levin, J. Lieberman, Howard M. Metzenbaum, Paul Sarbanes.

EXHIBIT 2

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, December 10, 1991.

His Excellency, BORIS YELTSIN,
The President of the Russian Republic, The Kremlin, Moscow, U.S.S.R.

DEAR MR. PRESIDENT: One of the greatest tragedies of the Cold War was the shootdown of the Korean Airlines flight KAL-007 by the Armed Forces of what was then the Soviet Union on September 1, 1983.

This event had elements of a personal catastrophe for me, since I was on the parallel flight that night of KAL-015, which departed Anchorage, Alaska about fifteen minutes after KAL-007. Both flights stopped in Anchorage for refueling. I shall never forget mingling with the doomed passengers of KAL-007 in the transit lounge, including two sweet young girls who waved goodby to me when they were called to return to their fatal flight.

The KAL-007 tragedy was one of the most tense incidents of the entire Cold War. However, now that relations between our two nations have improved substantially, I believe that it is time to resolve the mysteries surrounding this event. Clearing the air on this issue could help further to.improve relations.

Accordingly, I respectfully request that the government of the Russian Republic gain access to the files of the former KGB and of the Ministry of Defense in order to resolve the attached questions. I hope that you will personally intervene with the relevant authorities of the former Soviet Union in order to provide answers to these questions.

The American people, indeed, the families of all passengers on KAL-007, will be deeply grateful for your efforts.

Sincerely,

JESSE HELMS.

QUESTIONS ON KOREAN AIRLINES FLIGHT KAL-007

I. KAL-007 LANDING

1. Please provide depositions or accounts from eye witnesses who saw KAL-007's landing.

2. Please provide the geographical coordinates of the location of where KAL-007 landed.

II. EYE WITNESS ACCOUNTS FROM SOVIET MILITARY RADAR TRACKING STATIONS

1. Please provide depositions or accounts from eye witnesses from Soviet military tracking stations who saw the track of KAL-007's descent.

2. Please provide the exact locations of these military radar tracking stations, and a map showing their disposition.

3. What was the ground and air tracking range of these military tracking stations?

4. How far away from the KAL-007 landing site were these tracking stations and their command posts?

III. SOVIET AND JAPANESE RADIO TRANSMISSIONS RELATED TO KAL-007

1. Please provide transcripts of all available Soviet civil and military radio transmissions related to the entire flight of KAL-007.

2. Please provide transcripts of all available Soviet intercepts of non-Soviet radio transmissions related to the flight of KAL-007.

IV. KAL-007 PASSENGERS AND CREW

1. From Soviet reports on the incident, please provide:

(a) A list of the names of any living passengers and crew members removed from the airplane;

(b) A list of missing passengers and crew;

(c) A list of dead passengers and crew;

(d) A list and explanation of what happened to the bodies of any dead passengers and crew;

(e) A list of items of luggage and other items removed from the plane;

(f) A list and description of the disposition of the luggage recovered and any other recovered items, and where such material is now kept;

(g) A description and disposition of any other recovered cargo.

V. SOVIET SEARCH AND RESCUE EFFORTS

Please provide a copy of the reports of all Soviet search and rescue operations, and the military and KGB "after action" reports.

VI. INFORMATION ON CONGRESSMAN LARRY MCDONALD

1. Please provide detailed information on the fate of U.S. Congressman Larry McDonald.

VII. KAL-007 PASSENGERS AND CREW

1. How many KAL-007 family members and crew are being held in Soviet camps?

2. Please provide a detailed list of the camps containing live passengers and crew, together with a map showing their location.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Delaware [Mr. BIDEN] is recognized.

ORDER OF PROCEDURE

Mr. BIDEN. Mr. President, I ask unanimous consent that the time for morning business be extended; that I be recognized for not to exceed 60 minutes; and, that, at the conclusion of my remarks, the Senate then proceed to the consideration of S. 2532.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE THRESHOLD OF THE NEW WORLD ORDER: THE WILSONIAN VISION AND AMERICAN FOREIGN POLICY IN THE 1990'S AND BEYOND

Mr. BIDEN. Mr. President, I will this week, on three separate occasions, seek the indulgence of the Senate to speak for the better part of an hour on each occasion. The reason is that I believe we are on the threshold of a new world order, and the present administration is not sure what the order is. But I would like to suggest how we might begin to reorganize our foreign policy in order to realize the full potential embodied in the phrase "new world order."

Two years ago, an act of aggression by an Arab despot against a tiny Arab sheikdom led the President of the United States to invoke a magisterial phrase.

He spoke, in rare visionary terms, of a "new world order" in which wrongs would be put right through collective action.

My purpose today is to examine that phrase and to elaborate on the immense potential—and still more, the imperative—I believe it holds for American foreign policy in the 1990's and beyond.

AN UNCERTAIN BEGINNING

Although President Bush called the new world order a "big idea," circumstances surrounding his proclamation of this august concept were less than auspicious.

Indeed the crisis that occasioned the President's use of the phrase resulted from a sustained act of appeasement constituting a colossal foreign policy blunder—

Having propped up Saddam Hussein with loans;

Having disregarded evidence that Saddam illegally used American aid to buy arms;

Having ignored Saddam's genocidal slaughter of his own Kurdish citizens;

Having fostered trade with Iraq even as Saddam provided safe haven for the world's most infamous terrorists;

Having overlooked Saddam's manifest quest for chemical and nuclear weapons;

Having supplied Saddam with military intelligence almost until the eve of his invasion; and

After first responding that the United States contemplated no military action—

The Bush administration suddenly summoned itself to assemble a multinational coalition under U.N. auspices to evict Saddam from Kuwait and restore the Kuwaiti Emir to his royal throne.

Unfortunately, as it basked in the heroic light cast by men and women of the American Armed Forces, who performed the assigned task with gallantry and pride,

The administration failed to realize the fruits of their brave endeavor in two critical respects.

First captivated by a bizarre concern to maintain Iraq's territorial integrity, the President failed to drive Saddam from power, instead ordering our forces to stand idle while Saddam—whom the President had equated to Hitler—regrouped his defeated army to massacre tens of thousands of Kurds and Shiites who had been inspired by our President's rhetoric to rise in rebellion.

The administration then failed further, and far more sweepingly by doing nothing in the many months thereafter to give even preliminary meaning to the grand concept of a new order, which it had used so fervently as a rallying cry for war.

One may surmise that the President did not follow through with the concept of a new world order because he had not thought it through—just as the administration has consistently lacked any guiding principle that would give coherence to its policy toward Iraq.

The new order may have been characteristically no more than an expedient slogan—a rhetorical device as useful and expendable as a Willie Horton Commercial.

Nonetheless as a consequence of its double failure, the Bush administration has betrayed its own express policies and achieved, in each case a result opposite to what is both possible and necessary.

Saddam's heinous and still-dangerous regime lives on while the promise of breathing new life into world institutions of collective action has been allowed to wither.

Both failures must eventually be reversed. But my focus today is on the larger question of American purpose in the world.

It is I believe, imperative that the gulf war's ambiguous outcome not be allowed to jeopardize the momentous concept the President associated with the war.

Instead, I shall urge that we revive the concept of a new world order, rescue the phrase from cynicism, and invest in it a vision that should become the organizing principle of American foreign policy in the 1990's and into the next century.

AN AMERICA READY FOR RENEWAL AND CHANGE

To be more than merely utopian the American agenda for a new world order must not only aspire to realistic goals internationally;

It must also be grounded in the only feasible foundation for the foreign policy of our democracy, a sound base of public support.

We must begin, therefore, by asking do we have a base of public understanding that will with resolute leadership sustain such a policy?

My answer is emphatically in the affirmative;

Indeed, I believe the American people stand ready today for far more vision-

ary change than the current administration is capable of providing.

With the end of the cold war, a great awareness has swept the United States: A powerful, national realization that a time of decision is upon us and that profound change is both possible and essential.

The American people recognize that we are poised at a great turn in history and that we are urgently in need of renewal, both in our domestic life and our international role.

On the one hand, the end of superpower rivalry—through the swift collapse of our superpower rival—has inspired hope for a less dangerous and burdensome era in world affairs.

But more deeply and less optimistically, Americans share a painful recognition that the path they once assumed our Nation to be upon—a path of ever-broadening prosperity, of ever-increasing cultural harmony and racial unity, of unchallenged supremacy on the world stage—has not carried us to the expected destination.

Thus, for reasons both grim and hopeful, Americans today understand that we must chart a new direction at home and abroad.

Victory in the cold war has freed us to see our current plight more clearly.

Beset by foreign competition and our own economic mismanagement, the American standard of living has stagnated.

Despite White House efforts to divert us, we can no longer ignore mounting evidence of the multiple, menacing stresses that our own Nation and others are placing on the natural environment.

Despite major strides, we have failed to reconcile the seething differences among our own people.

Rather than narrowing, income disparities and racial divisions have widened over more than a decade in which selfishness and social neglect became implied themes of Presidential leadership.

But most worrying, we seem paralyzed in taking necessary political decisions within a democratic system that has long been our pride.

Many among the American people now share the harsh judgment of Walter Lippmann, who in his 1955 book, "The Public Philosophy," observed that:

> With exceptions so rare that they are regarded as miracles and freaks of nature, [our] politicians are insecure and intimidated men.
>
> They advance politically once as they placate, appease, bribe, seduce, bamboozle or otherwise manage to manipulate the demanding and threatening elements in their constituencies.

Perhaps, in recalling that such observations have a long American lineage, we can draw mild consolation. A healthy skepticism about politicians is an American strength, ingrained in our people.

It is a skepticism embodied by our Constitution in a system that is intended to grind slowly, precisely in order to protect us against the foibles of both our leaders and our led.

But prolonged inaction in the face of clearly needed change—still worse, a prolonged failure of our Nation's Chief Executive to articulate even a compelling set of goals, much less a path to their attainment has today carried skepticism to the brink of despair. We have reached a national crisis of confidence.

To surmount this crisis, and launch a new era of American success, will require both a vision of renewal and the will to bring concept to reality.

Central to this vision of renewal, I submit, is a clear conception of a new world order, though not because foreign policy is our preeminent concern—domestic renewal must be the highest American priority.

But the purpose of foreign policy is to promote an international environment in which our Nation may conduct its affairs in security and in harmony, and without unnecessary diversion of scarce and vital resources.

When circumstances change dramatically as they now have, we must reconsider, and revise, how best to advance our interests in the world arena.

For the past half-century, American foreign policy has been dominated by a single imperative: the containment of an expansionist, antidemocratic ideology centered in Moscow and Beijing—the one, headquarters of the world's last empire; the other, capital of the world's largest Nation.

The containment strategy shaped the lives of two generations of Americans and its success will remain a source of legitimate national pride. We did what had to be done, and for the most part well and honorably.

But a half-century of anticommunism has taken its toll. It gave us the Korean war; at least one brush with Armageddon in the Cuban missile crisis; the Vietnam war with its searing divisions and pain; a myriad of costly overseas commitments; and, still today an enormous nuclear and conventional arsenal sustained by a vast military-industrial complex that we will convert to civilian ends only after severe economic and social dislocation.

The cold war also extracted a domestic cost in eroding political civility and skewing our politics, sometimes to the point of perversity.

This distortion appeared not just in the excesses of McCarthyism, but more pervasively.

After the Vietnam war, conservatives devised a demonology of liberal pacifism that allegedly reposed in the democratic party.

For their part, liberals looked to their right and saw a dubious interventionism, fervidly advocated with what Hemingway called "that beautiful detachment and devotion to stern justice of men dealing in death without being in any danger of it."

Over time, as the lines of domestic battle hardened, support for a particular weapon system or the dispatch of United States troops to a Caribbean Island came to be portrayed as definitive litmus tests of American patriotism.

So fundamentally did cold war politics deform our priorities that eventually we found ourselves consumed in debt and still placing greater budgetary priority on the fantasy of an antinuclear umbrella called star wars than on salvaging our desperate cities or housing our Nation's poor.

Today, as we look to a new era, our pundits and pollsters tell us that the American people seem weary of international involvement and are tempted by a so-called neo-isolationism.

But this is a false construct. The slogan "America first" no doubt holds appeal—it does to me. But, as most Americans well understand, we could not hide from the world if we tried.

The last 50 years have yielded a technological revolution in information, communication, transportation, medicine, manufacturing, and world trade.

For better or for worse, this revolution has transformed the elemental character of civilization on our planet.

Within and among nations, people today are interconnected by fast and affordable travel, instant electronics, shared images, and standardized products.

All of us, meanwhile, encounter an overwhelming flood of data—news, facts, opinions, advertising, and entertainment which we must struggle to interpret with an unchanged allotment of human wisdom and judgment.

For Americans, who for much of our history enjoyed a sense of separateness from the world, global interdependence is no longer an academic abstraction; we experience it daily.

The imperative America learned from World War II—that we cannot preserve our own well-being in isolation from the world's—has now been compounded by technology.

No longer is it sufficient to band together with other nations solely to resist the designs of an expansionist dictator.

The full panoply of threats to our future security and prosperity, the proliferation of deadly high-tech weapons, the accelerating degradation of our planetary environment, economic protectionism and unfair competition, overpopulation and migration, narcotics and AIDS all require global solutions.

Fortunately, the American people comprehend the reality; and precisely for that reason, they expect to see the strong hand of American leadership in world affairs.

The great choice facing us then is not between isolationism and internation-

alism. Our challenge is to determine the nature of American internationalism.

Must we continue to relate to the world as we recently have with a stumbling myopia, a denial of real and looming problems and a fear of bold commitment?

Or can we, with the cold war behind us, discern a coherent and principled new agenda that will guide our conduct, and successfully serve our Nation's global interests, as we move toward the third millennium?

My answer is that the moment is upon us to define a compelling concept of a new world order to commit ourselves to it, and to lead the world in its realization.

AMERICA AND "NEW ORDERS"

The founding of a new order is daring business, no doubt. But it is hardly an unfamiliar role for the American people.

It is in fact the very role by which, for more than two centuries, we have defined ourselves as a nation.

It is a role which traces to our national origins and in which we have an illustrious, though still incomplete, record in this century.

To this generation of Americans it now falls to build upon that legacy of our forefathers by leading the world once again in a constructive reordering of human affairs.

The first new order was the revolution of American democracy.

Our Founders were assuredly modest in their expectations of human nature, but there was nothing meek in their aspiration for the democratic nation they envisaged.

The great seal of the United States declared our goal: E Pluribus Unum, the creation, from diverse peoples, of a nation in unity.

Our great seal announced, too, the unprecedented means by which the Founders determined to pursue that goal: Novus Ordo Seclorum, "a new order for the ages."

The new order proclaimed by the American Constitution concerned nothing less than the cardinal principles on which a nation should be founded. The essence of this new order was liberty:

Political liberty to protect men and women against the abuse of power;

Economic liberty to unleash human creativity;

Spiritual liberty to permit man's moral fulfillment.

Looking back to 1787, we find a remarkable, though unremarked coincidence that captures exquisitely just what this new order meant.

It was in that year that the dominant statesman of imperial Russia, Prince Potemkin, decreed that thousands of serfs be conscripted for forced labor.

Potemkin's purpose was to erect false but impressive facades to adorn towns that Catherine the Great and visiting European royalty would pass during a boating excursion into the Crimea.

With this act of supreme monarchial arrogance Potemkin gave birth to a perfect metaphor for Europe's old order of privilege, illusion, brutality, and deceit.

He created too a powerful symbol of contrast for at that very moment in history the American framers were assembled in Philadelphia to found a new order of democratic freedom based upon the principles of human equality and inalienable human rights.

Two years later as George Washington took office with the simple title "President," the French Revolution sent the first tremors through Europe's old order.

And in the ensuing two centuries that order would crumble and succumb to the democratic ideals the American Constitution had enshrined.

In Russia where czar gave way to commissar the democratic revolution would come slowest.

There in a new form arose the Potemkin villages of Soviet Communist utopia and not until Christmas of 1991 would a man named Boris Yeltsin finally proclaim a Russian democracy.

When this son of peasants and communism came before the U.S. Congress 6 months later to extend the hand of democratic partnership his outstretched arm represented the closing of a great circle of history.

Americans in the 19th century felt no need for a new world order holding instead to a proud but limited concept of world purpose. In the words of Daniel Webster America's "true mission" was:

> Not to propagate our opinions or impose upon other countries our form of Government by artifice or force, but to teach by example and show by our success, moderation and justice, the blessings of self-government and the advantages of free institutions.

Such world order as did exist was shaped by two seminal events in Europe.

The first, in 1805, was Britain's naval victory over the French and Spanish fleets at Trafalgar. Lord Nelson's triumph gave Britain an unchallenged supremacy on the seas that was to last a century.

During this period of relative calm among the major nations—the "Pax Britannica" which followed the Napoleonic wars—the British empire became the largest in history comprising one-quarter of the world's land surface and one-quarter of its population.

The second seminal event resulted from Napoleon's defeat at Waterloo in 1815. Led by Austria's Metternich the ensuing Congress of Vienna served to delineate on the European Continent a landscape of nation-states.

That would, for the most part, hold for 99 years—until the fateful events of 1914.

But if this was a world order, it was a tenuous one. The continental balance of power, from which Britain stood aloof in "splendid isolation" offered far less than a guarantee of full tranquility.

It could not suppress the domestic revolutions of 1848, which heralded an end to rule by monarchs and forced Metternich himself to flee his country.

Nor could it suppress major war. In 1871, as Otto Von Bismarck headquartered in the Hall of Mirrors at Versailles while German guns pounded Paris into submission, no Frenchman could have vouched for the "balance of power."

To be sure, Europe's two alliances—Germany, Austria-Hungary and Italy counterpoised against France and Russia—gave Europe some semblance of stability.

But the interlocking gears of these alliance systems also held the potential for a grim and terrible momentum.

In August 1914 those gears went into motion. Four years later, the old order—the "proud tower" of the European monarchs—lay in blood-soaked ruin.

Throughout the 19th century, America had concerned itself primarily with westward expansion, fulfilling what many saw as our "manifest destiny."

We had paused but once: to wage, among ourselves, the first modern war—as the devastating price of purification from the Nation's original sin of slavery.

Only at the century's end had we surged briefly into overseas adventure, in an exuberant but minor war with Spain.

But Europe's monumental act of self-annihilation drew America fully and inexorably onto the world stage.

Now grown to continental size, and possessed of commensurate strength and rising confidence, the United States came to the war in Europe reluctantly. But eventually with strong purpose.

At war's end the American President Woodrow Wilson, was determined that the grievous failings of the past—the system of international rivalry that had turned Europe into a sprawling graveyard should never be allowed to recur.

When the peace conference convened at Versailles in 1919, Woodrow Wilson presented, to a world desperately eager to hear it, America's second vision of a new order.

The first American vision—the Founders' vision—had concerned the establishment of a just new order within nations through institutions of democracy.

The second American vision—Wilson's vision—concerned the establishment of a just new order among nations through institutions of cooperation.

Wilson's vision of involvement diverged from America's prevailing phi-

losophy of the 19th century, but was not at odds with the vision of the Founders. Rather, the two visions were harmonious.

The Constitution had affirmed the law of nations as integral with American law. Now, in Wilson's view, it was imperative that the United States embrace new commitments under the law of nations.

In building upon the vision of the Founders, Wilson's vision was no less revolutionary.

To Wilson and the millions of Americans who supported him, it was clear that the growth of nations and technology, and the shattering horror of the great war, had ended any reasonable belief that the world's nation-states could live separately and securely in isolation.

George Washington's warning against entangling alliances still held—if alliances meant nothing more than American participation in a cynical game of nations.

But Wilson and his followers recognized that if a nation wished to protect itself and its way of life in the 20th century, its defenses must consist not merely in its own armed strength but also in reliable mechanisms of international cooperation and joint decision.

For a world in dire need of a new order, the Wilsonian promise was sweeping:

That rationality might be imposed upon chaos and that principles of political democracy, national self-determination, economic cooperation, and collective security might prevail over repression and carnage in the affairs of mankind.

This was, it seemed, an idea whose time had come.

When Woodrow Wilson went to Paris in 1919, the tens of thousands who cheered him represented the millions worldwide for whom America's President embodied a transcendent hope.

For one extended and luminous moment, he became the best known most popular leader the world had ever seen ascending to a political stature attained by no other person before or since.

A future Republican President, Herbert Hoover, described it thus:

> For a moment at the time of the armistice Mr. Wilson rose to intellectual domination of most of the civilized world.
>
> With his courage and eloquence he carried a message of hope for the independence of nations the freedom of men and lasting peace.

Never since his time has any man risen to the political and spiritual heights that came to Woodrow Wilson.

Modern-day conservatives who are instinctively frightened by the Wilsonian vision have propounded a mythical image of Woodrow Wilson as a dangerously naive idealist.

Idealist he was. But there was no naivete in the Wilsonian vision. As history soon proved the danger lay in a failure to implement what Wilson proposed.

Summarizing the aspirations Woodrow Wilson embodied for the world, William Butler Yeats wrote these words in a poem called 1919:

> We pieced our thoughts into a philosophy and tried to bring the world under rule.

Wilson himself spoke similarly to the nations assembled at the Paris Peace Conference, when he said:

> What we seek is the reign of law based upon the consent of the governed and sustained by the organized opinion of mankind.

How is it, then, that the United States failed so conspicuously and so fatefully to join the Leage of Nations that woodrow Wilson himself had designed and advanced as the ultimate protection against future cynicism and future cataclysm?

This question is distinctly pertinent today as we confront a comparable test of world leadership.

Some attribute the failure to Wilson's unwillingness to compromise but this is misleading because Woodrow Wilson did compromise.

He compromised with allied leaders on many issues, boundaries, colonies and even reparations, which he rightly feared could prove excessive.

He compromised with critics at home, obtaining changes in the draft document that former President Taft assured him would make Senate approval certain.

Where Wilson could not compromise was on the most fundamental question embodied in article 10 of the convenant of the League of Nations.

This was the commitment to collective security: A commitment by all parties to defend the territorial integrity of each. It was an obligation the United States would eventually accept but not until 30 years later in NATO.

Wilson called this commitment the backbone of the whole covenant. Without it he said, the League of Nations would be hardly more than an influential debating society.

Wilson's defense of article 10 was born of intellectual conviction and something more.

He felt a powerful moral obligation—in his words, "eternal bonds of fidelity"—to those whom he had sent to war. He had told them they were fighting not just for peace but for a certain kind of peace.

What later would seem a cliche tinged with irony—a war to make the world safe for democracy, was for that American President no mere slogan.

If this was moralism it was far from pacifism—in fact the opposite. Woodrow Wilson was convinced that a collective security system must be backed by a willingness to use military force.

In the abscence of a system that would reliably employ that ultimate sanction he believed that another great war would follow.

That is why he could not accept the so-called Lodge reservations proposed in the Senate, of which the most important was the removal of any American commitment to act against aggression.

One of history's most compelling questions is what might have happened had Woodrow Wilson not, in the fall of 1919, suffered a paralytic stroke. We know only what did happend.

Warren Harding ran for President in 1920 on a Republican platform that favored American membership in some kind of association of nations for the maintenance of peace.

This pledge was formally endorsed by the major Republican leaders of the day, including Herbert Hoover, who asserted that carrying through on that promise was nothing less, in his words, than "the test of the entire sincerity, integrity and statesmanship of the Republican Party."

And yet, when elected, Harding interpreted the result as a mandate against any league membership.

His administration, and the two that followed, would carry America backward—from bold commitment to dangerous complacency.

With that turn of history, the League of Nations was doomed, a new world was born, but not a new world order.

Within two decades, the nations had descended again—this time into an even greater conflagration that spanned the entire globe, produced the ultimate horror of the Holocaust, and ended at Hiroshima in the inferno of a mushroom cloud.

Mr. President, I believe history summons us to dwell on the events of 1919.

For it was then that the United States faltered as it must never again at a crucial moment of world challenge and responsibility.

As we reflect on that moment I believe we can see today a clear and present mission: to finish the job that Woodrow Wilson began for America and the world three-quarters of a century ago.

The first steps toward fulfillment of the Wilsonian dream came 25 years later.

By then, President Franklin Roosevelt, a giant in his own right and a Wilsonian in world view, had revived and nurtured among the American people a widening acceptance of the concepts of collective security and collective responsibility.

As America emerged from the Second World War, the supreme legacy of Franklin Delano Roosevelt was an economic and military superpower with a will to lead.

Those in the Truman years who sought to resume Wilson's work the work of building a true world order brought historic statesmanship to the task—the United Nations, the World Bank, the International Monetary fund, the General Agreement on Tariffs

and Trade, the Marshall plan, the World Health Organization and a host of other worthy U.N. agencies, the Fulbright Exchange Program, the North Atlantic Treaty Organization, the Organization of American States, and later the European community—became their monuments.

But the founders of these postwar structures succeeded in realizing the Wilsonian promise only in partial measure because Europe, much of the rest of the world and even the new institutions of multilateral cooperation, feel prey to the polarizing effects of the cold war.

For two full generations, international cooperation has been weakened by a global clash of ideologies that brought with it a militarist orientation and a steady drain on precious human and material resources.

As we emerge from this period of history, we need allow no implication that its travail was somehow the result of a grand misunderstanding, as recently suggested by Mikhail Gorbachev.

Whose contribution to history—in ending the Soviet empire—must be respected more than his contribution to historical analysis.

In the great test between communism and free-market democracy, there never was moral symmetry between the adversaries.

Nor, one must add, was there every in America a common view to that effect, notwithstanding the persistent distortions of our assiduous conservative myth makers.

The nations of the west had no sound alternative other than to stand together against the power and ambition of the Soviet empire until inevitably, it disintegrated under the accumulated weight of the human depredations it so brutally imposed.

That collapse came slowly, painfully and then in a pent-up rush to freedom.

Our task today—the duty of the western democracies, led by the United States—is to see, and seize upon, the implications of that collapse.

For with the dissolution of Soviet communism. And as the Chinese Communist leadership counts its numbered days, we see evaporating before us what should be the final barrier to the Wilsonian dream.

This opportunity, thought it has arrived more quickly than any of us could have imagined, comes none to soon.

For across the planet today, we find ourselves confronted not by an ideological threat or the expansionist designs of a military power.

By a rising tide of global problems that threaten mankind's very survival.

We face a tidal change we can hope to manage only through the spirit, and mechanisms, of international cooperation that Woodrow Wilson first urged upon the world.

We stand now at this century's third Wilsonian moment, inspired by the legacy of Woodrow Wilson's vision; warned by the consequences of our earlier failures to realize that vision and the dangers if we should fail again; strengthened by the work of latterday Wilsonians, who in the wake of the Second Great war, struggled to lay foundations for international cooperation; and sobered, as we look to the future, by the gravity and complexity of the problems that loom before us.

We stand challenged to resume, and this time to complete, the building of a world in which cooperating democracies will face their problems together.

Our challenge demands that we conceive a new world order that encompasses, and builds upon, the concept of collective security that Woodrow Wilson first advanced to a nation and a world not yet ready to comprehend its necessity.

Our circumstances today leave no choice: America must propound a new and expansive form of the Wilsonian vision and then lead the world in bringing that vision to reality.

Tomorrow, I shall outline what I conceive to be a sound and compelling American agenda for this new world order.

Mr. CRANSTON. Will the Senator yield?

Mr. BIDEN. I will be happy to yield to my friend from California.

A BETTER WORLD ORDER

Mr. CRANSTON. Mr. President, I rise to compliment my friend from Delaware for a very fine and thoughtful address. It is, I think, an inspirational guidepost for the leadership that our country must now provide in seeking to establish a better world order that slipped through our fingers at the end of World War I and was never fully established, tragically, at the end of World War II.

The Senator's words provide a very fine basis for the consideration that must be given in this body, and in this Capitol, and in this country to the effort to provide a more peaceful, stable world with America helping lead the way but not seeking to dominate the decisionmaking process.

Twenty-five years, and more, before I came to the Senate, I wrote a book about Woodrow Wilson and the struggle that he had in this body to get the Versailles Treaty and the League of Nations supported in this body. Unfortunately, that effort failed and the result, as Woodrow Wilson predicted, was World War II. We are about, in this body, to enter a discussion of a very important measure that, if successful in moving through this body and through the House, and if it is signed by the President, can help bring stability to the former Soviet Union and the new republics—Russia, and others—that now are seeking stability and peace and a sound economy in that part of the world.

The battle we are about to enter, starting very soon—in a matter of minutes in this body—is an important part of the task that faces us that was spelled out by the Senator from Delaware.

I yield the floor.

BUDGETARY STRAW MEN

Mr. BYRD. Mr. President, there is a rhetorical device in debate known as the "straw man" argument. Under this approach, advocates of a proposition create an artificial, and false, opponent against which to argue. Rhetorical straw men, like their cousin the scarecrow, are most effective if they closely resemble the real thing. Unlike the scarecrow, they are designed only to be displayed and then to be publicly torn apart.

I believe that we have seen many straw men in the debate on the efficacy and advisability of a constitutional amendment to require a balanced Federal budget. One of the most egregious of these devices, and one of the most cunningly crafted, is the argument that the Congress and the American people are driven to amend the Constitution in this fashion due to the absolute failure of statutory approaches to the problem.

This argument appeals to us on many levels. It panders to the current popular prejudice that all elected officials are incompetent and corrupt and will only do their jobs if forced to do so by constitutional fiat. It implies that the Congress has voted to spend money with regard to the limits of public law and the rules of the House and Senate. It suggests that the President is the innocent and powerless victim of a King Kong Congress bent on spending every dime it can borrow. And it gives rein to the frustration that all of us have felt in dealing with this monster, the budget deficit.

The argument even has a sort of *post hoc, ergo propter hoc* appeal to it: we have had laws dealing with the budget, we still have large deficits, therefore the law must have caused the deficits.

Straw men arguments are frowned upon in formal debate because they are not probative. Unfortunately, the rules of the Senate do not prohibit them; in fact, they are often heard in this Chamber. Therefore, we must take it upon ourselves to examine this scarecrow and disassemble it piece by piece.

Let us begin by looking at the truth. The proposed constitutional amendment is a very close relative to recent laws such as Gramm-Rudman-Hollings and the 1990 Budget Enforcement Act. Both the constitutional amendment and the statutory approaches seek to eliminate deficits by proscription rather than the enactment of specific spending cuts and revenue increases.

Close relatives are known to share certain traits, both good and bad. An examination of the history of the past decade and one-half as well as an analysis of the theory and practice of the Federal budget process yields the unmistakable conclusion that the proposed constitution amendment is flawed with the same characteristics that have led to the failure of statutory proscriptions of the deficit. Unlike the statutory approaches, however, the constitution amendment poses grave threats to the welfare of the Republic due to consequences unforeseen and unheralded by its sponsors.

If experience is a great teacher, then some of us have failed to absorb the lessons of the past years in regard to the budget. Eleven years ago we set our course on the Federal budget by adopting President Reagan's mistaken economic and budgetary policies. That theory said that if we cut taxes deeply enough, we could double defense spending and still balance the budget by 1984. Of course, we did not balance the budget by that date.

That failure was due not to any inaction or adverse action on the part of Congress. We implemented the Reagan policies almost unchanged. The other body passed a bill of more than 800 pages, written by the administration and its allies in the Congress and containing every conceivable budget proposal supported by them. That action was taken despite the fact that few Members of that body had been availed the opportunity of reading the bill, that the bill was not even paginated and that it contained the telephone number of a staff member in its margins. The Senate, in the words of a distinguished former Member of this body, took a "river-boat gamble" and passed a similar bill. We enacted Reaganomics. And in doing so we lost the gamble and created the present budget mess.

Reaganomics, implemented by Gramm-Latta I and II, failed because it was based on a faulty economic foundation. I am not comforted to hear supporters of the balanced budget amendment continue to spout those same phony economic theories. "You can balance the budget if you only cut capital gains or some other tax. You can balance the budget without seriously cutting any important programs. You can balance the budget without breaking into a sweat."

In 1985 we tried another approach. We enacted the Gramm-Rudman-Hollings deficit reduction law, described by one of its supporters as "a bad idea whose time has come." Gramm-Rudman-Hollings was to have produced a series of deficit reductions that were to result in a balanced budget by fiscal year 1991.

The notion behind this law is quite similar to that underlying the balanced budget amendment: Create a motive force strong enough to require Congress and the administration to make hard choices on taxes and spending. To some extent the law was successful. Certainly, it restrained new spending in the appropriations and entitlement committees. During the period of this legislation, reconciliation bills were enacted that saved billions of dollars.

But once again the seductive siren Rosy Scenario entered the scene. The administration flinched at the hard choices necessary to make real headway on the deficit and yielded to the temptation to paper over the problem with overly optimistic economic assumptions. Congress assented to this choice and adopted budget resolutions characterized by unrealistic expectations on the performance of the economy.

What happened to Gramm-Rudman-Hollings? In a word: reality. Overly optimistic estimates, based on unrealistic economic assumptions, ran head on into hard budget figures. As fiscal year 1988 approached, it became apparent that the budget deficit target for that year ($108 billion) was far out of reach. In 1987, Congress and President Reagan agreed to modify Gramm-Rudman-Hollings, taking into account the impact of a Supreme Court decision and setting new, more lenient targets. Under the revised procedures, the budget was to be in balance by fiscal year 1993.

The revised Gramm-Rudman-Hollings procedure carried us through the 1988 elections, during which President Bush made an unfortunate campaign pledge that drastically reduced his ability to deal with the budget deficit problem. Hamstrung by that pledge, and unwilling to advocate the kind of drastic spending cuts needed to meet the revised budget targets, the President and his budget director put forward a series of budget documents with unrealistic economic assumptions, accounting gimmicks, and other chicanery that even shocked those of us made somewhat cynical by the abuses of the Reagan years.

In 1990 Congress and the administration were again forced to resort to summitry in order to cobble together a budget deal. The resulting legislation attempted to eliminate the inducement to gimmickry that had been present in the earlier budget procedures, wherein questionable estimates and assumptions could be used to appear to hit the required deficit target. Instead, the Budget Enforcement Act of 1990 ignored the deficit figure entirely and focussed its attention on limiting spending, and controlling the creation of new entitlements and tax cuts.

In my judgment, the 1990 act has had reasonable success in achieving those goals. As chairman of the Committee on Appropriations, I can certainly tell you that the restraints in that legislation are keenly felt in the discretionary accounts.

However, three factors have sent the deficit soaring subsequent to the enactment of the Budget Enforcement Act: First, the recession and slow growth in the economy; second, the failure of financial institutions and the concomitant need to provide assistance to them; and third, the fact that surpluses in the Social Security trust fund are no longer counted as offsetting the deficit in the remainder of the budget.

At this point, it may be useful to look at the past decade or so from a slightly different perspective, that of an analysis of the budget figures themselves. Proponents of the constitutional amendment point to that period as one characterized by Congress repeatedly overspending budget limits. In fact, the Congressional Budget Office has studied budgets from the period 1980–91 in order to compare the figures in budget resolutions with actual budget outlays, receipts, and deficits. The CBO found that the discrepancy between budget targets and actual deficit, spending, and revenue amounts arise largely from economic and technical errors in budget estimates rather than policy changes made by the Congress.

In budget jargon, "economic errors" are those errors which result from the difference between estimates of economic factors, for example, employment, inflation, and interest rates, and the actual values for those economic factors. "Technical errors" include those errors which result from mistakes about other factors that influence the budget such as participation rates in Government benefit programs, the size of populations eligible for certain Government programs, and the financial health of certain financial institutions. For example, the failure of federally insured financial institutions led to massive and unexpected claims on the Federal Treasury. In fiscal year 1990, these claims added almost $60 billion to Federal outlays. Because they result from claims made under current law and because they were not reflected in the budget baseline, they constitute a massive, but technical, error. "Policy errors" reflect differences between what was expected to be enacted into law by the Congress and the Executive and what was actually enacted. These policy differences, like sins, can be errors of omission or of commission.

The Reagan and Bush administrations provide stark examples of economic errors. The rosy economic scenarios of this period present an almost unbroken chain of unrealistic and often cynical budget projections designed to promise budget balance sometime in the future without the pain of spending cuts or tax increases.

In its January 1990 report "The Economic and Budget Outlook: Fiscal Years 1991–1995" the Congressional Budget Office reviewed the accuracy of

budget resolution assumptions during the 1980's. For that period, the CBO found:

> In every single year of the 1980s, the actual deficit exceeded the budget resolution target. The excess ranged from $3.7 billion in 1984 to $91.5 billion in 1983 * * * and averaged $40.2 billion.

The CBO went on to say:

> Use of optimistic economic assumptions accounts for $17.2 billion, or 43 percent, of the average error in budget resolution estimates during the 1980s. The remaining difference is about equally divided between policy and technical assumptions.

I note with great interest that the proponents of the balanced budget amendment have added a new provision to their proposal: "Section 6. Congress shall enforce and implement this article by appropriate legislation, which may rely on *estimates* of outlays and receipts (emphasis added)." By this device, the sponsors of the amendment ensure that the flaws of the various statutory approaches to budget control will also be found in the constitutional provision. Human frailties—including both the inability to predict the future and the temptation to succumb to wishful thinking—doom any process of estimating matters as complex as the national budget.

In fact, I believe that any method of budget control, be it constitutional or statutory, that seeks to balance the budget by fiat will be doomed to failure. They will fail, not because Senators and Representatives are inattentive to public law or the Constitution. They fail because they replace substance with symbol and practice with procedure.

The President and his predecessor have exercised the major role in creating and sustaining huge and unprecedented deficits. They have done so, all the while proclaiming their allegiance to a balanced budget. Although we in the Congress must bear our share of the blame in not protesting vigorously enough the mistakes of the past two administrations, Reaganomics got us here and the dithering of the Bush administration has prevented us from confronting and overcoming the present serious threat to our national wellbeing.

We must not be confused by the false arguments and straw men tossed out by the proponents of the constitutional amendment. Remember that the devil is in the details. The budget deficit has grown not because of the lack of prohibition in the Constitution, but because our leaders advanced mistaken and ill-founded policies. Let us not enshrine those mistakes in our national charter.

GENERAL EDUCATION FOR GLOBAL INTERDEPENDENCE

Mr. DODD. Mr. President, when I delivered the convocation address at Connecticut College last year, I pointed out that "if we are to be the world's leader in global influence, we cannot be the world's laggard in global education." I referred to a survey of American corporations showing that 30 percent of the respondents said their global expansion had been held back by a lack of internationally capable employees.

The president of Connecticut College, Dr. Claire Guadiani, recently gave these issues a practical focus by incorporating them into proposals for a new set of course requirements for liberal arts students. In an essay discussing the need for educational reform in light of significant and continuing changes in our global environment, Dr. Gaudiani lays out a blueprint for educational reform and improvement in our Nation's colleges and universities.

Her approach would divide a core curriculum into six general categories—knowledge, communication and quantitative skills, public speaking, negotiating skills, foreign language proficiency, and synthesis themes.

The knowledge category includes both required and elective courses. Those required focus on human culture, ethics and values, the natural environment, and the emergence of the world's present economic, political, and social structures. The elective courses include study of natural or physical sciences, world area studies, U.S. cultural studies, and creative expression.

The second major category of the core curriculum is labeled communication and quantitative skills. These courses would ensure that students become skilled writers by requiring the creation of a writing portfolio, and necessitate that they gain proficiency in mathematics.

The third major category of the core curriculum focuses on public speaking skills. As Dr. Gaudiani points out:

> A citizen who will cooperate and compete effectively in the 21st century will be able to speak convincingly in a variety of settings. In the current environment, the importance of media creates an even greater demand for well-educated people to develop public speaking skills.

Negotiating skills constitutes the fourth major category of the core curriculum. The ability to constructively solve differences in an increasingly fragmented world will surely be an asset to any student entering the modern global market.

The fifth major category of Dr. Gaudiani's core curriculum require students to gain proficiency in a foreign language. The importance of competence in foreign languages in the modern world is immeasurable. A global market demands multilingual participants. It is that simple.

Finally, Dr. Guadiani's plan includes a set of overarching questions posed to students in their freshman year. The faculty devise these questions, refer to them from time to time in and outside of courses, and then ask students to write about them in the beginning of their last semester. Such an approach encourages students to see beyond particulars and comprehend patterns and contexts of learning that unite the various strands of their educational curriculum.

Dr. Gaudiani's work not only reflects the increasing influence of Connecticut College as a leader in liberal arts education, it offers significant insights into one of the most important issues facing our country—the need to compete successfully in an emerging global market. I can think of no better way to insure that we succeed in this global market than to prepare our Nation's young people for the demands of the future. Therefore, I ask unanimous consent to have excerpts from Dr. Guadiani's essay included in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM DR. CLAIRE L. GAUDIANI, "WORLD CULTURES, ETHICS TRANSFORMATIONS, SCIENCE * * * AND A TOUCH OF PUBLIC SPEAKING: GENERAL EDUCATION FOR GLOBAL INTERDEPENDENCE"

The curriculum assembled for the Age of Aquarius may have run its course. The loose general education requirements developed in the late sixties presumed that left to their own devices, students will make coherent choices. This approach has been under attack, now, for fifteen years because its results have proved disappointing, even to many of those educated in that mode.

The end of the Cold War should propel academia toward a new vision of general education. Now more than ever, we need a curriculum designed to prepare Americans for citizenship in an interdependent science-oriented world community. In a recent article in *Foreign Affairs*, Zbigniew Brzezinski notes, "The end of the cold war marks this country's third grand transformation of the organizing structure and motivating spirit of global politics. The first two great transformations (World War I and World War II) did not enhance international security. The question now is, will the third?"

The collapse of the Soviet Union marks the beginning of this third global transformation. With the failure of Soviet communism, the ideology of the third global transformation appears to be some form of democracy and a free market economic system. In a period when Western ideas of democracy and the rights and responsibilities of the individual have become the standard many other world peoples are aiming toward, Americans are likely to have new responsibilities.

In light of the challenges of this new period, how might education of American citizens enhance the chances for international justice and security as well as improving the quality of life for the people of the earth? Can a faculty devise a structure for general education with the intent of shaping knowledgeable, competent, imaginative citizens who can live and work in ways that will promote and help secure the blessings of liberty for others and themselves? Can this, indeed, be the aim of a liberal arts education in an age of global interdependence?

Faculty and administrators often voice disappointment with the disjointed and dif-

fuse general education requirements of the 70s and 80s. In many institutions one third or more of the courses offered in any year manage to make the list of courses from which students may select their idea of general education. These are grouped under academic headings that resemble the equivalent of the four major food groups. That cafeteria style general education requirements are still around is due largely to the political difficulties faculties encounter when trying to change them.

In a recent report on the undergraduate curriculum in general education, Lewis B. Mayhew says that, "Little substantive agreement exists among administrators, faculty, and national reports about the changes that need to be made, but little actual movement has taken place." The obstacle, Mayhew explains, appears to be more political than philosophical. "For over two decades, departments have shoehorned courses into distribution systems of general education in order to (1) ensure credit hour production that will justify faculty positions in the department, (2) expand the requirements for the major and/or (3) to expose more freshmen to the subject matter so that more can be recruited into their specific major. To date, most curricular committees and faculty senates have not given up the perceived benefits of the current general education systems."

So here we are, despite more than a decade of studies and reports noting the weaknesses of higher education and/or American education in general. Each suggests that faculties rethink the curriculum agreed upon in the aftermath of the student revolution in 1968.

If these reports have not succeeded in provoking serious reforms, maybe the opportunity to respond to the third global transformation can. Education for global independence will require a broad set of skills and special kinds of knowledge. Students will need a common base of information about the world and human cultures. They will need to know theories and approaches to building community knowledge in diverse fields.

Whether or not colleges participated in the first wave of reform of general education which began in the early 1980s and continued under the pressures of the reports spawned annually through the years of "education" presidents, this is the time to initiate a more profound and thoroughgoing rethinking of the role of general education for Americans. We can redesign the curriculum based on the role that education must play if this third global transformation is indeed to bring about, at long last, a more safe, free and just world.

TRIBUTE TO ADAM CONDO

Mr. MCCONNELL. Mr. President, I rise today to express my sadness over the tragic and unexpected loss of a member of Kentucky's Washington, DC based press. Adam Condo, Washington correspondent for the Cincinnati Post and the Kentucky Post died yesterday after collapsing at his Alexandria, VA, home.

Adam Condo began his career in journalism in 1965 as a reporter for the Marietta, Ohio Daily Times, after graduating from the University of Missouri. He then worked for the Columbus, OH Citizen-Journal from 1971 to 1980. In 1980, he joined the Washington Bureau of Scripps Howard News Service.

Mr. Condo consistently provided the people of northern Kentucky with firsthand, balanced reporting on the events and activities which affected them in the Nation's Capital. My personal experiences with him were friendly, and I always found him to be a fair and competent journalist. Mr. Condo's years of experience as a Washington correspondent provided him with insight and information for which the readers of the Cincinnati Post and Kentucky Post greatly benefited. His keen understanding of the many complex elements involved in Washington politics was truly reflected in his reporting, as was his professionalism and close attention to details and facts.

Mr. Condo's accomplishments extend beyond his role in the Washington press community. He was recently retired as a master sergeant from the National Guard, following 20 years of service in Maryland, West Virginia, Ohio, and Virginia. He was active in the Knights of Columbus Council at St. Lawrence Catholic Church in Alexandria and the Boy Scouts of America. Mr. Condo also did volunteer work at Bishop Ireton High School in Alexandria.

I extend my heartfelt sympathies to Mr. Condo's family, including his wife, two children, parents and two brothers. I, along with members of my staff, will truly miss his presence in the Washington press community, as will many of his colleagues at Scripps Howard and in the Press Gallery.

Mr. President, please enter my comments, along with the following article from the Kentucky Post, into the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Kentucky Post, June 29, 1992]

WASHINGTON REPORTER ADAM CONDO, 50, DIES

(By Connie Remlinger)

Kentucky Post Washington correspondent Jerome Adam Condo, who mixed a sense of humor with an unflinching dedication to journalism, died Sunday.

A gardening enthusiast, Condo collapsed at his home in Alexandria, Va., after working in his yard. Condo, 50, had a history of heart trouble.

Condo was a native of Ft. Wayne, Ind. He grew up in Memphis, Tenn., where he first showed an interest in the newspaper business at the tender age of seven.

"He had a little letter stamp that he could use to print newspapers," his wife, Antoinette Jordan Condo said this morning.

"Every day he would run down to the corner grocery store, look at the headlines for the day, then go back home and print his paper. He had it waiting for his father when he got home from work."

Condo joined The Kentucky Post in 1988, covering the Kentucky congressional delegation and such state issues as coal and tobacco in Washington. Condo also was Washington correspondent for The Cincinnati Post.

"Adam Condo was a diligent reporter who worked hard to find information he needed for a story," Managing Editor Mike Farrell said.

"Despite his health problems, he worked as if every story were the most important of his career.

"But most of all, we will remember Adam as an extraordinary human being, a kind man who loved his family."

Before joining The Post, Condo had worked for eight years as a correspondent for the now-defunct Cleveland Press and the Columbus Citizen-Journal.

"He enjoyed working on Capitol Hill," Mrs. Condo said, "A lot of young people—staffers for the legislators—asked him for advice. He enjoyed being the mentor."

Condo also loved putting the heat on some legislators.

"The mayor of Columbus hated him. I remember the mayor once asked me how I could stand to live with him. He loved it when he got someone's goat and they got after him," Mrs. Condo said.

In Washington for The Kentucky Post, Condo was responsible primarily for covering Northern Kentucky's congressman, Rep. Jim Bunning, R-Southgate.

"We had our differences with Adam Condo, as is the case with any reporter. But Adam was a unique character and you couldn't help but like him," Bunning said.

"I think everyone who dealt with him in Washington developed a grudging respect for Adam. One of the things Adam and I talked about in between interviews, was moral values. Adam was very concerned about what he saw as a national deterioration of morality in the country. He always joked that he was a bit of prude, but you had to love him for it. He was a serious man who didn't take himself too seriously."

Condo was always in a hurry. Just talking to him could leave you breathless. Condo's trademark response to any tip was quick and straightforward: "Want me to get something on that. OK. Call you back." Then, whatever the deadline was, he'd meet it.

His speed and intensity aside, Condo always took the time to say something personal to his colleagues and to those he covered. Sometimes he'd ask about family. Other times he'd tell a joke.

"Adam was always in a hurry to get the story," Bunning's administrative assistant David York said.

"Then all of a sudden, out of nowhere, he would spit out one of the corniest jokes you ever heard. He was a genuinely gentle, goodhearted human being."

Although he worked 500 miles away and rarely was able to visit the newsroom in person, he made it a point to know everyone at the newspaper. If a new voice answered the telephone when he called the office, he'd introduce himself and make a friend.

"We're going to miss him a great deal," said City Editor Mark Neikirk, who was Condo's editor for two years.

"Adam was what we all aim to be: Fair, fast, religiously unbiased and fearless when a tough story needed to be done. Into that he mixed a sense of humor and rare humanity."

Condo particularly made it a point to tell readers where members of Congress were getting campaign money. His weekly column in The Kentucky Post was often a forum for his appeal to the powerful to remember that they represent people, not PACS.

One recent column took Bunning to task for spending thousands of dollars of taxpayers' money to send mass mailings under the government franking privilege to resi-

dents who live in the 13 Kentucky counties that were shifted into the state's 4th congressional district as a result of redistricting.

Bunning responded in a letter to the editor that it was a cheap shot and that Condo knew the mailings were totally legitimate. Condo was proud of the letter, believing it was confirmation that he'd done his job well.

Condo was indispensable to Kentucky journalism. His stories frequently were picked up for statewide distribution by The Associated Press, whose managers commended him time and again for contributing more news about Kentucky's House and Senate delegations than any other journalist working in Washington.

Dale McFeatters, managing editor of Scripps Howard News Service, said Condo was one of the best tutors of younger reporters he had encountered.

Condo was a doting father to his children, Mary, 15, and Jordan, 16. He was a parent adviser at Bishop Ireton High School in Alexandria, where his two children attended school.

A 1965 journalism graduate of the University of Missouri, Condo was a reporter for the Marietta, Ohio, Daily Times from 1965 to 1970, and joined the Columbus Citizen-Journal in 1970. He joined the Washington bureau of Scripps Howard News Service in 1980.

As a general assignment reporter in Marietta, he was one of the first people on the scene of a tragic nursing home fire.

"He was pulling people out of the smoke-filled building at the same time he was gathering information for the news story," Mrs. Condo said.

The International Association of Firefighters cited Condo for his heroism.

Condo recently retired as a master sergeant from the National Guard, having served for 20 years in West Virginia, Ohio, Maryland and Virginia.

And he was a devoted, sentimental husband. "He had the most character of any person I've known," Mrs. Condo said. "You could always depend on him to do what he thought was right. He was perfectly honest. He took no shortcuts. I admired him for that."

As a journalist he garnered many awards.

Other survivors include his parents, Mr. and Mrs. Adam F. Condo of Memphis, and two brothers, Robert and Thomas, both of Memphis.

TODAY'S BOXSCORE OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the Congressional Irresponsibility Boxscore.

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,944,282,382.80, as of the close of business on Thursday, June 25, 1992.

On a per capita basis, every man woman, and child owes $15,355.83—Thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

MR. AND MRS. LOUIS PAUL KASSOUF—50TH ANNIVERSARY CELEBRATION

Mr. HEFLIN. Mr. President, I was honored to be present for the golden anniversary celebration of the marriage of Paul and Naomi Kassouf. I deeply appreciate Paul and Naomi's wonderful family for including me in the surprise celebration of their 50 years together. Being with them on that occasion was especially gratifying to me since I was also there when it all began on June 16, 1942.

Paul and Naomi Kassouf have spent a virtual lifetime together, forging a union that really does exemplify all the best things about the institution of marriage. Their recipe for a successful and happy marriage—one that is a true partnership—one that cannot hardly be improved upon. I could see the pride on the faces of their children—Beverly, David, Gerard, and Gayle. They and the 11 grandchildren are lucky to have such an ideal couple to emulate as they grow older and have families of their own. The Kassoufs are definitely a pair who have an abiding commitment to marriage and family.

Naomi Kassouf was born in Logan, WV, but had the good fortune to be raised in Birmingham, where she attended Ramsey High School. In addition to being a loving and dedicated mother to her four children, Naomi has been an active volunteer in civic organizations and in her church. She is currently the president of the Catalina Point Woman's Association and is an active member in the St. Elias Catholic Church. She has also volunteered at St. Vincent's Hospital. Naomi has always given 100 percent to her marriage, family, and community.

Paul, chairman of the board of the L. Paul Kassouf and Co. Professional Corp., was born in Birmingham on October 14, 1921. We attended Birmingham-Southern College together. At Southern, he was a member of Phi Beta Kappa, Omicron Delta Kappa, and Delta Gamma Sigma. He currently sits on our alma mater's board of trustees. He served in the Army during World War II, and received his master of business administration degree at the University of Chicago shortly thereafter, in 1949. He has enjoyed a long and tremendously successful career as a CPA, and has been an active leader within the field. He has served as president of the Alabama Society of CPA's, as well as being a member of the Alabama State Board of Public Accountancy, the American Institute of Certified Public Accountants, and chairman of the long-range planning committee of the Alabama Society of CPA's. You know, the Budget, Finance, and Appropriations Committees in Congress could sure use Paul's expertise in getting the Federal deficit under control.

It seems we hear a great deal these days about marriage being old-fashioned and archaic, that it is ill-suited for the rigors and demands of this busy age we live in. But, when we look at Paul and Naomi, together with their children and grandchildren, it renews our faith in society's greatest institution. It reminds us again of the unique level of love that only a husband and wife can achieve, and of the great accomplishments they can have together.

No, the institution of marriage is not out-of-date. Indeed, we know that it is timeless. It is a statement of the times we live in that some would consider marriage an unsuitable alternative to human relationships. But, I am confident that such attitudes will not prevail, for there is no more proven arrangement, as shown so splendidly by the Kassoufs.

Again, I was honored to be a part of that happy occasion. I congratulate and commend Naomi and Paul on 50 glorious years together, and offer my sincerest wishes for many more happy years together. As good as these past five decades have been, I hope that their best years lie ahead.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2532, which the clerk will report.

The legislation clerk read as follows:

A bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act."

The Senate proceeded to consider the bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," which had been reported from the Committee on Foreign Relations, with an amendment.

On page 3, strike line 13, through the end of the bill, and insert in lieu thereof the following:

SEC. 4. AUTHORITY TO CONDUCT ACTIVITIES.

With regard to activities authorized by the Support for East European Democracy (SEED) Act of 1989 (Public Law 101-179) (the "SEED Act") to be conducted in and for any of the Central or East European states, the President may conduct similar activities in and for any of the independent states of the former Soviet Union, including any of the activities described

in sections 7 and 8 of this Act, and may make available funds authorized to be appropriated by this Act for such activities, except that assistance may be provided for the government of such state under this Act only if—

(1) such state is developing democratic institutions and policies based on internationally recognized human rights; and

(2) such state is undertaking economic reform based on private enterprise and market principles.

In furtherance of the objectives of this Act, the President may authorize any United States Government agency that has authority to conduct activities under the SEED Act to make available any funds available to it for activities related to international affairs outside Eastern Europe to conduct activities authorized in this section.

SEC. 5. USE OF AUTHORITY.

(a) CONSIDERATIONS.—In providing assistance under section 4 for the government of any of the independent states of the former Soviet Union, the President shall take into account not only relative need but also the extent to which states assisted are acting to—

(1) institutionalize the rule of law to protect individual freedoms and rights;

(2) enact the legal and policy frameworks necessary for the conduct of private business activities and the privatization of state-owned enterprises;

(3) demonstrate respect for international law and obligations and adherence to the principles of the Helsinki Final Act and the Charter of Paris, including those related to the right of emigration; and

(4) implement responsible security policies, including the avoidance of excessive defense expenditures, full compliance with international arms control agreements, and active participation in international efforts to prevent the proliferation of destabilizing weapons for the technology to develop such weapons.

(b) INELIGIBILITY FOR ASSISTANCE.—The President shall not provide assistance under this Act for the government of any state which he determines—

(1) engages in a consistent pattern of gross violations of internationally recognize human rights or of international law;

(2) is engaged in a pattern of unlawful military action against a country which is friendly to the United States;

(3) has failed to take constructive actions to facilitate the effective implementation of applicable arms control obligations of the former Soviet Union, including those under the CFE, INF, NPT, ABM, TTBT, PNE, and START Treaties;

(4) has knowingly transferred, on or after the date of enactment of this Act, to another country—

(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime; or

(B) any material, equipment, or technology to another country that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction, including nuclear, chemical, and biological arms, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapon; or

(5) has detonated a nuclear explosive device on its territory on or after the date of enactment of this Act and is not a nuclear weapon State Party to the Non-Proliferation Treaty of 1970.

The President may waive the requirement of ineligibility under this subsection if he certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that doing so would serve the objectives of this Act.

(c) ASSISTANCE TO AZERBAIJAN.—The President may not provide assistance or other benefits authorized by this Act to the Government of the Republic of Azerbaijan until he determines and so reports to Congress that the Republic of Azerbaijan—

(1) has ceased all blockades and other offensive uses of force against the Republic of Armenia and the autonomous region of Nagorno-Karabakh;

(2) is respecting the internationally recognized human rights of Armenians and other minorities living within its borders; and

(3) is participating constructively in international efforts to resolve peacefully and permanently the conflict in Nagorno-Karabakh.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal years 1992 and 1993 such sums as may be necessary to carry out this Act, in addition to amounts otherwise available for such purposes. Funds authorized pursuant to this Act are authorized to remain available until expended.

SEC. 7. TYPES OF ACTIVITIES.

Funds authorized to be appropriated by this Act may be used for the independent states of the former Soviet Union—

(1) to support the development of democratic institutions and policies based on internationally recognized human rights, including through—

(A) such existing agencies and organizations as the United States Information Agency, the National Endowment for Democracy, and the Citizens Democracy Corps;

(B) the operation of new American Democracy Centers or America Houses; and

(C) administration of justice programs;

(2) to support creation and development of private enterprise and free market systems, with special emphasis on initiatives designed to encourage United States small business and medium-sized business participation, including through—

(A) technical assistance to support the necessary legal frameworks, such as commercial codes, private property codes including homesteading policies, banking codes, tax codes, and foreign investment codes;

(B) technical assistance to support the necessary policy frameworks, such as privatization laws, agricultural policy laws, and energy policy laws;

(C) technical assistance, such as with the assistance of private and voluntary organizations, to promote privatization and increased efficiency in the agricultural sector, including in food distribution and transportation systems, and to enhance the ability of the independent states of the former Soviet Union to use their own resources to meet basic human needs, such as through—

(i) training programs;

(ii) exchanges;

(iii) the export of United States machinery and farm animals; and

(iv) loans for entrepreneurs in food production and distribution;

(D) technical assistance to promote investment in, increased efficiency of, and privatization of the energy sector;

(E) support, which may include contributions to endowments, for the establishment and activities of organizations such as—

(i) Enterprise Funds; and

(ii) a Eurasia Foundation to assist with management and economics training, democratic institutions and related activities, and activities such as those conducted by the Inter-American Foundation to assist private enterprise at the "grass roots" level; and

(F) training in business and financial practices, public administration, commercial law, and the rules of international trade, including programs to send active American businessmen as volunteers to provide on-site advice and concrete problem solving to private enterprises in the independent states of the former Soviet Union;

(3) to provide support in addressing emergency and other humanitarian needs, including through private and voluntary organizations, to improve health care facilities by providing medical training, equipment and supplies, and to continue efforts to rebuild from the earthquake in Armenia;

(4) to support expanded trade and investment relations with United States businesses, including through the operation of information networks and the establishment of additional American Business Centers, pursuant to the provisions of section 10 of this Act, and including other activities to provide "business incubator" services to—

(A) United States firms engaged in evaluating trade and investment opportunities; and

(B) United States state development agencies engaged in promoting mutually beneficial trade;

(5) to support educational and cultural exchange programs and to promote, with the assistance of private and voluntary organizations, broad-based educational reform at all school levels in areas such as history, social sciences, political studies, economics, and English-language, including—

(A) assistance in the development of curricula;

(B) exchange programs involving educators; and

(C) the supply of textbooks and other educational materials;

(6) to enhance the human and natural environment and to conserve shared environmental resources, including through technical assistance to facilitate environmental restoration and the adoption of environmentally-sound policies and technologies—

(A) to control the discharge of pollutants damaging to the Earth's atmosphere;

(B) to map, monitor and contain environmental threats to the United States or the Arctic/subarctic ecosystem;

(C) to clean up rivers, lakes, and Arctic waters;

(D) to protect endangered species; and

(E) to promote nuclear reactor safety;

(7) to support American Schools and Hospitals Abroad that have been or may be established in the independent states of the former Soviet Union, such as the American University of Armenia;

(8) to support development of children's educational television, pursuant to the provisions of section 9 of this Act; and

(9) to finance cooperative development projects, such as the Cooperative Development Program and cooperative development research programs, among the U.S., Israel, and the former Soviet Union, and the U.S., Israel, and Eastern Europe.

SEC. 8. ADDITIONAL ACTIVITIES.

(a) The President may use funds made available to carry out the provisions of section 23 of the Arms Export Control Act, as well as funds authorized to be appropriated by this Act, in order to conduct activities in and for the independent states of the former Soviet Union that would help—

(1) promote demilitarization, the conversion of defense-related industry and equipment to civilian purposes and uses, the absorption of defense-related industry personnel into the civilian sector (including through the establishment of Science and Technology Centers), and the withdrawal and relocation of military forces of the former Soviet Union;

(2) prevent the diversion of weapons-related scientific expertise to terrorist groups or third countries; and

(3) establish safeguards against the proliferation of nuclear, chemical, biological and other weapons; assist in the safe storage, transportation, safeguarding and disabling of such weapons and other measures to prevent their proliferation, including by purchasing, bartering, or otherwise acquiring such weapons or materials derived from such weapons; and promote other efforts designed to reduce with the goal of eventually eliminating the nuclear threat from the former Soviet Union.

(b) In recognition of the importance of establishing an effective official United States Government presence in the independent states of the former Soviet Union—

(1) of the funds authorized to be appropriated by this Act, up to $5 million may be used by the Department of State for costs of personnel and other expenses for new posts in such states; and

(2) section 101 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138) is amended by adding at the end the following—

"(d) POSTS IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for fiscal year 1993 such sums as may be necessary for costs of personnel and other expenses for posts in the independent states of the former Soviet Union.".

(c) In addition to amounts otherwise available to the United States Information Agency to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, for fiscal year 1993, there are authorized to be appropriated such sums as may be necessary to carry out the authorities of this Act that relate to international information, educational, cultural, and exchange programs.

SEC. 9. DEVELOPMENT OF CHILDREN'S EDUCATIONAL TELEVISION.

(a) FINDINGS.—Congress finds that—

(1) children's educational television can be a highly effective means of instruction both in basic skills and in the human values associated with a democratic society;

(2) certain organizations in the United States are internationally recognized as uniquely creative and proficient in the production of such programming and have a record of achievement in assisting other countries in developing similar programming of their own; and

(3) assistance under this Act to the independent states of the former Soviet Union in the development of such programming could be a highly cost-effective element in the overall program of bilateral United States assistance aimed at promoting and sustaining the transformation to democracy.

(b) AUTHORITY.—The President is authorized and encouraged to utilize funds authorized to be appropriated by this Act to support any appropriate nonprofit corporation of the United States in assisting the independent states of the former Soviet Union in developing the skills necessary to produce children's educational programs aimed at promoting basic skills and the human values associated with a democratic society. Such assistance—

(1) should to the extent possible be used to support the development of programming rather than to support broadcasting;

(2) should not be used to pay for real estate, equipment, and personnel costs that could appropriately be born by the recipient country in its own currency; and

(3) should be aimed at yielding self-sufficiency in the production of children's educational television programming within approximately a two-year period.

SEC. 10. AMERICAN BUSINESS CENTERS.

(a) FINDINGS.—Congress finds that—

(1) United States economic assistance to the independent states of the former Soviet Union is aimed at promoting their transition to market-oriented economies fully integrated with the international community;

(2) trade and investment by United States companies in those states would serve not only the United States interest in their successful transition but also the broader economic interests of the United States; and

(3) to promote these interests, the United States has established an American Business Center in Warsaw to facilitate efforts by the United States to evaluate trade and investment opportunities.

(b) AUTHORITY.—The President is authorized and encouraged to establish additional American Business Centers in countries being assisted under this Act and the SEED Act of 1989 where the President determines that such Centers can be cost-effective in promoting the objectives of this Act and United States economic interests. To the maximum extent possible, the President should direct—

(1) that host countries be asked to make appropriate contributions of real estate and personnel for the establishment and operation of such Centers;

(2) that such Centers offer office space, business facilities, and market analysis services to United States firms and state economic development offices on a user-fee basis that minimizes the cost of operating such Centers while offering economies of time and cost to users; and

(3) that such Centers be established in several sites among the various independent states of the former Soviet Union and the countries of Eastern and Central Europe.

SEC. 11. INTERNATIONAL FINANCE CORPORATION.

The United States Governor of the International Finance Corporation may vote for any increase of capital stock of the Corporation that may be needed to accommodate the requirements of the independent states of the former Soviet Union.

SEC. 12. SUPPORT FOR MACROECONOMIC STABILIZATION.

(a) IN GENERAL.—In order to promote macroeconomic stabilization and the integration of the independent states of the former Soviet Union into the international financial system, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union.

SEC. 13. ADMINISTRATIVE AUTHORITIES.

(a) ADMINISTRATIVE EXPENSES.—Of the funds authorized to be appropriated by this Act, such sums as may be necessary may be used for administrative expenses of United States Government agencies in connection with administering programs in furtherance of the objectives of this Act.

(b) EXTENSION OF FOREIGN ASSISTANCE ACT AUTHORITIES.—In making available funds authorized to be appropriated under this Act, the President may utilize any of the authorities applicable to the provision of assistance under the Foreign Assistance Act of 1961, as amended, and to programs for which appropriations are made in annual foreign operations, export financing, and related programs appropriations Acts.

(c) WAIVER AUTHORITY.—Assistance may be provided and authorities may be exercised for the objectives of this Act notwithstanding any other provision of law, except the Antideficiency Act, title 31 of the United States Code, the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the Budget Enforcement Act of 1990. In any fiscal year, amounts made available for assistance under this Act shall not exceed amounts appropriated in advance in appropriations Acts, and assistance under this Act shall not exceed the limitations in such appropriations Acts.

(d) AUTHORITY TO USE FUNDS AVAILABLE UNDER THE FOREIGN ASSISTANCE ACT.—For programs for the independent states of the former Soviet Union, the President is authorized to utilize funds made available to carry out the Foreign Assistance Act of 1961. Any funds made available under chapter 4 of part II of that Act may be utilized on the same basis as funds authorized to be appropriated by this Act.

(e) DIRECT LOAN AND GUARANTEE AUTHORITIES.—Funds authorized to be appropriated by this Act may be utilized to cover the cost, including the cost of modifying such loans, of direct loans and loan guarantees with respect to the independent states of the former Soviet Union, including loan guarantees provided consistent with the provisions of section 108 of the Foreign Assistance Act of 1961, as amended, Title IV of chapter 2 of part I of that Act, and the Export-Import Bank Act of 1945, as amended, and to cover the administrative expenses for such direct loans and loan guarantees.

SEC. 14. NOTIFICATIONS TO CONGRESS.

The notification requirements applicable to reprogramming under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) and the comparable notification requirements contained in sections of annual foreign operations, export financing, and related appropriations Acts apply with respect to obligations of funds made available to carry out this Act, notwithstanding any other provision of this Act.

SEC. 15. ANNUAL REPORT.

The President shall include in the Annual SEED Program Report required by section 704(c) of the SEED Act a similarly detailed account of activities under this Act. Each such report shall describe the extent to which statutory prohibitions and restrictions on the provision of assistance for types of programs and activities have been waived under the authority of section 13(c) of this Act.

SEC. 16. QUOTA INCREASE FOR INTERNATIONAL MONETARY FUND.

(a) The Bretton Woods Agreements Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, limited to such amounts as are appropriated in advance in appropriations Acts.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45-3 of the Board of Governors of the Fund.

"SEC. 58. APPROVAL OF FUND PLEDGE TO SELL GOLD TO PROVIDE RESOURCES FOR THE RESERVE ACCOUNT OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST.

"The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the Fund's

pledge to sell, if needed, up to 3,000,000 ounces of the Fund's gold, to restore the resources of the Reserve Account of the Enhanced Structural Adjustment Facility Trust to a level that would be sufficient to meet obligations of the Trust payable to lenders which have made loans to the Loan Account of the Trust that have been used for the purpose of financing programs to Fund members previously in arrears to the Fund.".

(b) Recognizing the need for the independent states of the former Soviet Union to adopt policies to stabilize and reform their economies on the basis of market principles, the United States Governor of the Fund is authorized to instruct the United States Executive Director of the Fund to vote to disapprove a Fund program for any such State that has not enacted or taken substantial steps to enact the legal and policy frameworks necessary for the private ownership of property, the conduct of private business activities, and the privatization of state-owned enterprises.

SEC. 17. STATUTORY LISTS OF COMMUNIST COUNTRIES AND SOVIET-SPECIFIC RESTRICTIONS.

(a) FOREIGN ASSISTANCE ACT OF 1961.—Section 620(f)(1) of the Foreign Assistance Act of 1961 is amended by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(b) EXPORT-IMPORT BANK ACT OF 1945.—The Export-Import Bank Act of 1945 is amended in section 2(b)(2)(B)(ii), by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(c) JOHNSON ACT.—Section 955 of title 18, United States Code, shall not apply with respect to any obligations of the former Soviet Union, or any of the independent states of the former Soviet Union, or any political subdivision, organization, or association thereof.

(d) WAIVER AUTHORITY.—

(1) With respect to any of the independent states of the former Soviet Union, the President is authorized to waive the application of any provision of law that restricted the eligibility of the Soviet Union, as in existence before December 25, 1991, regarding any program, benefit, or other treatment.

(2) Paragraph (1) shall not apply to the provisions of title IV or title V of the Trade Act of 1974, except as otherwise provided in such titles.

SEC. 18. ADDITIONAL STATUTORY PROVISIONS.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 234(g)(2) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "or" and inserting a comma in lieu thereof; and

(2) inserting ", and the independent states of the former Soviet Union" after the word "Act".

(b) AMENDMENTS TO FOOD SECURITY ACT OF 1985.—Section 1110(b) of the Food Security Act of 1985 is amended by—

(1) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, or other private entities"; and

(2) inserting after "such countries" the phrase ", including the independent states of the former Soviet Union".

(c) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(1) in subsection (b), by inserting ", services, and agricultural goods and materials" after the word "facilities";

(2) in subsection (d)(1)(B)(i), by inserting ", farmers, other persons from the private sector," after "agricultural consultants"; and

(3) by amending subsection (d)(1)(D) to read as follows:

"(D) TECHNICAL ASSISTANCE.—The President is authorized to provide, or pay the necessary costs for, technical assistance to enable individuals or other entities to implement the recommendations, or to carry out the opportunities and projects identified under, paragraph (1)(A).".

(d) OTHER PROVISIONS APPLICABLE TO AGRICULTURE PROGRAMS.—

(1) FOOD SECURITY ACT OF 1985.—The ceiling limitation contained in section 1110(g) of the Food Security Act of 1985 shall not apply with respect to commodities furnished from stocks of the Commodity Credit Corporation during fiscal years 1992 and 1993 to the independent states of the former Soviet Union.

(2) AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.—For fiscal years 1992 and 1993, the ceiling limitation contained in section 202(e)(1) of the Agricultural Trade Development and Assistance Act of 1954 shall not apply with respect to programs for the independent states of the former Soviet Union. Any funds made available under that Act may be made available under section 202(e)(1) to assist private voluntary organizations and cooperatives in establishing new food assistance programs for those states under provisions of law other than title II of that Act, as well as for the purposes described in paragraphs (A) and (B) of that section.

(3) AGRICULTURAL TRADE ACT OF 1978.—The Secretary of Agriculture, in carrying out his responsibilities under section 202(f) of the Agricultural Trade Act of 1978, shall take into account the major economic reforms that have been and are occurring in the independent states of the former Soviet Union and the substantial enhancement in the international financial standing of those states to which such reforms can be expected to lead, as well as the contribution that guarantee programs of the Commodity Credit Corporation for these states can be expected to make in these circumstances to the purposes described in sections 202(c) and 202(d) of that Act, with a view toward maintaining a substantial guarantee program to promote the export of United States agricultural commodities in those states.

SEC. 19. TECHNICAL AMENDMENTS TO SEED ACT.

The SEED Act is amended by inserting the following after section 2—

"SEC. 3. DEFINITION.

"As used in this Act, the term 'Central and East European states' shall include Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that have been part of Yugoslavia.

"SEC. 4. SCOPE OF AUTHORITY.

"With regard to any activities authorized by this Act to be conducted in Poland or Hungary, the President may conduct similar activities for any of the other Central and East European states if such similar activities would cost-effectively promote a transition to market-oriented democracy.

"SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

"In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President for fiscal years 1992 and 1993 such sums as may be necessary to carry out this Act. Funds authorized pursuant to this Act are authorized to remain available until expended.".

SEC. 20. CORRECTION OF REFERENCE TO SOVIET UNION AND EXTENSION OF CERTAIN PROVISIONS.

(a) Section 599D of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, is amended—

(1) in subsection (b)—

(A) in paragraphs (1)(A), (2)(A), and (2)(B), by striking "of the Soviet Union" each place it appears and inserting "of an independent state of the former Soviet Union or of Estonia, Latvia, or Lithuania",

(B) in paragraph (1)(A), by striking "in the Soviet Union" and inserting "in that state", and

(C) in paragraph (3), by striking "and 1992" and inserting "1992, 1993, and 1994";

(2) in subsection (e), by striking "October 1, 1992" each place it appears and inserting "October 1, 1994"; and

(3) by striking subsection (f).

(b) Section 599E(b) of such Act is amended—

(1) in paragraph (1), by striking "of the Soviet Union," and inserting "of an independent state of the former Soviet Union, Estonia, Latvia, or Lithuania, or", and

(2) in paragraph (2), by striking "September 30, 1992" and inserting "September 30, 1994".

So as to make the bill read:

S. 2532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TITLE.

This Act may be cited as the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) recent developments in Russia and the other independent states of the former Soviet Union present an historic opportunity for a transition to a peaceful and stable international order and the integration of the independent states of the former Soviet Union into the community of democratic nations;

(2) the entire international community has a vital interest in the success of this transition, and the dimension of the problems now faced in the independent states of the former Soviet Union makes it imperative for donor countries and institutions to provide the expertise and support necessary to ensure continued progress on economic and political reforms;

(3) the United States is especially well-positioned because of its heritage and traditions to make a substantial contribution to this transition by building on current technical cooperation, medical and food assistance programs, and by fostering conditions that will encourage the United States business community to engage in trade and investment; and

(4) failure to meet the opportunities presented by these developments could threaten United States national security interests and jeopardize substantial savings in United States defense that these developments have made possible.

SEC. 3. DEFINITION.

As used in this Act, except where the context indicates otherwise, the term "independent states of the former Soviet Union" shall include the independent states that formerly were part of the Soviet Union. It includes Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and

Uzbekistan; it does not include Estonia, Latvia, or Lithuania.

SEC. 4. AUTHORITY TO CONDUCT ACTIVITIES.

With regard to activities authorized by the Support for East European Democracy (SEED) Act of 1989 (Public Law 101-179) (the "SEED Act") to be conducted in and for any of the Central or East European states, the President may conduct similar activities in and for any of the independent states of the former Soviet Union, including any of the activities described in sections 7 and 8 of this Act, and may make available funds authorized to be appropriated by this Act for such activities, except that assistance may be provided for the government of such state under this Act only if—

(1) such state is developing democratic institutions and policies based on internationally recognized human rights; and

(2) such state is undertaking economic reform based on private enterprise and market principles.

In furtherance of the objectives of this Act, the President may authorize any United States Government agency that has authority to conduct activities under the SEED Act to make available any funds available to it for activities related to international affairs outside Eastern Europe to conduct activities authorized in this section.

SEC. 5. USE OF AUTHORITY.

(a) CONSIDERATIONS.—In providing assistance under section 4 for the government of any of the independent states of the former Soviet Union, the President shall take into account not only relative need but also the extent to which states assisted are acting to—

(1) institutionalize the rule of law to protect individual freedoms and rights;

(2) enact the legal and policy frameworks necessary for the conduct of private business activities and the privatization of state-owned enterprises;

(3) demonstrate respect for international law and obligations and adherence to the principles of the Helsinki Final Act and the Charter of Paris, including those related to the right of emigration; and

(4) implement responsible security policies, including the avoidance of excessive defense expenditures, full compliance with international arms control agreements, and active participation in international efforts to prevent the proliferation of destabilizing weapons for the technology to develop such weapons.

(b) INELIGIBILITY FOR ASSISTANCE.—The President shall not provide assistance under this Act for the government of any state which he determines—

(1) engages in a consistent pattern of gross violations of internationally recognize human rights or of international law;

(2) is engaged in a pattern of unlawful military action against a country which is friendly to the United States;

(3) has failed to take constructive actions to facilitate the effective implementation of applicable arms control obligations of the former Soviet Union, including those under the CFE, INF, NPT, ABM, TTBT, PNE, and START Treaties;

(4) has knowingly transferred, on or after the date of enactment of this Act, to another country—

(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime; or

(B) any material, equipment, or technology to another country that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction, including nuclear, chemical, and biological arms, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapon; or

(5) has detonated a nuclear explosive device on its territory on or after the date of enactment of this Act and is not a nuclear weapon State Party to the Non-Proliferation Treaty of 1970.

The President may waive the requirement of ineligibility under this subsection if he certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that doing so would serve the objectives of this Act.

(c) ASSISTANCE TO AZERBAIJAN.—The President may not provide assistance or other benefits authorized by this Act to the Government of the Republic of Azerbaijan until he determines and so reports to Congress that the Republic of Azerbaijan—

(1) has ceased all blockades and other offensive uses of force against the Republic of Armenia and the autonomous region of Nagorno-Karabakh;

(2) is respecting the internationally recognized human rights of Armenians and other minorities living within its borders; and

(3) is participating constructively in international efforts to resolve peacefully and permanently the conflict in Nagorno-Karabakh.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal years 1992 and 1993 such sums as may be necessary to carry out this Act, in addition to amounts otherwise available for such purposes. Funds authorized pursuant to this Act are authorized to remain available until expended.

SEC. 7. TYPES OF ACTIVITIES.

Funds authorized to be appropriated by this Act may be used for the independent states of the former Soviet Union—

(1) to support the development of democratic institutions and policies based on internationally recognized human rights, including through—

(A) such existing agencies and organizations as the United States Information Agency, the National Endowment for Democracy, and the Citizens Democracy Corps;

(B) the operation of new American Democracy Centers or America Houses; and

(C) administration of justice programs;

(2) to support creation and development of private enterprise and free market systems, with special emphasis on initiatives designed to encourage United States small business and medium-sized business participation, including through—

(A) technical assistance to support the necessary legal frameworks, such as commercial codes, private property codes including homesteading policies, banking codes, tax codes, and foreign investment codes;

(B) technical assistance to support the necessary policy frameworks, such as privatization laws, agricultural policy laws, and energy policy laws;

(C) technical assistance, such as with the assistance of private and voluntary organizations, to promote privatization and increased efficiency in the agricultural sector, including in food distribution and transportation systems, and to enhance the ability of the independent states of the former Soviet Union to use their own resources to meet basic human needs, such as through—

(i) training programs;

(ii) exchanges;

(iii) the export of United States machinery and farm animals; and

(iv) loans for entrepreneurs in food production and distribution;

(D) technical assistance to promote investment in, increased efficiency of, and privatization of the energy sector;

(E) support, which may include contributions to endowments, for the establishment and activities of organizations such as—

(i) Enterprise Funds; and

(ii) a Eurasia Foundation to assist with management and economics training, democratic institutions and related activities, and activities such as those conducted by the Inter-American Foundation to assist private enterprise at the "grass roots" level; and

(F) training in business and financial practices, public administration, commercial law, and the rules of international trade, including programs to send active American businessmen as volunteers to provide on-site advice and concrete problem solving to private enterprises in the independent states of the former Soviet Union;

(3) to provide support in addressing emergency and other humanitarian needs, including through private and voluntary organizations, to improve health care facilities by providing medical training, equipment and supplies, and to continue efforts to rebuild from the earthquake in Armenia;

(4) to support expanded trade and investment relations with United States businesses, including through the operation of information networks and the establishment of additional American Business Centers, pursuant to the provisions of section 10 of this Act, and including other activities to provide "business incubator" services to—

(A) United States firms engaged in evaluating trade and investment opportunities; and

(B) United States state development agencies engaged in promoting mutually beneficial trade;

(5) to support educational and cultural exchange programs and to promote, with the assistance of private and voluntary organizations, broad-based educational reform at all school levels in areas such as history, social sciences, political studies, economics, and English-language, including—

(A) assistance in the development of curricula;

(B) exchange programs involving educators; and

(C) the supply of textbooks and other educational materials;

(6) to enhance the human and natural environment and to conserve shared environmental resources, including through technical assistance to facilitate environmental restoration and the adoption of environmentally-sound policies and technologies—

(A) to control the discharge of pollutants damaging to the Earth's atmosphere;

(B) to map, monitor and contain environmental threats to the United States or the Arctic/subarctic ecosystem;

(C) to clean up rivers, lakes, and Arctic waters;

(D) to protect endangered species; and

(E) to promote nuclear reactor safety;

(7) to support American Schools and Hospitals Abroad that have been or may be established in the independent states of the former Soviet Union, such as the American University of Armenia;

(8) to support development of children's educational television, pursuant to the provisions of section 9 of this Act; and

(9) to finance cooperative development projects, such as the Cooperative Development Program and cooperative development research programs, among the U.S., Israel,

and the former Soviet Union, and the U.S., Israel, and Eastern Europe.

SEC. 8. ADDITIONAL ACTIVITIES.

(a) The President may use funds made available to carry out the provisions of section 23 of the Arms Export Control Act, as well as funds authorized to be appropriated by this Act, in order to conduct activities in and for the independent states of the former Soviet Union that would help—

(1) promote demilitarization, the conversion of defense-related industry and equipment to civilian purposes and uses, the absorption of defense-related industry personnel into the civilian sector (including through the establishment of Science and Technology Centers), and the withdrawal and relocation of military forces of the former Soviet Union;

(2) prevent the diversion of weapons-related scientific expertise to terrorist groups or third countries; and

(3) establish safeguards against the proliferation of nuclear, chemical, biological and other weapons; assist in the safe storage, transportation, safeguarding and disabling of such weapons and other measures to prevent their proliferation, including by purchasing, bartering, or otherwise acquiring such weapons or materials derived from such weapons; and promote other efforts designed to reduce with the goal of eventually eliminating the nuclear threat from the former Soviet Union.

(b) In recognition of the importance of establishing an effective official United States Government presence in the independent states of the former Soviet Union—

(1) of the funds authorized to be appropriated by this Act, up to $5 million may be used by the Department of State for costs of personnel and other expenses for new posts in such states; and

(2) section 101 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138) is amended by adding at the end the following—

"(d) POSTS IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for fiscal year 1993 such sums as may be necessary for costs of personnel and other expenses for posts in the independent states of the former Soviet Union.".

(c) In addition to amounts otherwise available to the United States Information Agency to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, for fiscal year 1993, there are authorized to be appropriated such sums as may be necessary to carry out the authorities of this Act that relate to international information, educational, cultural, and exchange programs.

SEC. 9. DEVELOPMENT OF CHILDREN'S EDUCATIONAL TELEVISION.

(a) FINDINGS.—Congress finds that—

(1) children's educational television can be a highly effective means of instruction both in basic skills and in the human values associated with a democratic society;

(2) certain organizations in the United States are internationally recognized as uniquely creative and proficient in the production of such programming and have a record of achievement in assisting other countries in developing similar programming of their own; and

(3) assistance under this Act to the independent states of the former Soviet Union in the development of such programming could be a highly cost-effective element in the overall program of bilateral United States assistance aimed at promoting and sustaining the transformation to democracy.

(b) AUTHORITY.—The President is authorized and encouraged to utilize funds authorized to be appropriated by this Act to support any appropriate nonprofit corporation of the United States in assisting the independent states of the former Soviet Union in developing the skills necessary to produce children's educational programs aimed at promoting basic skills and the human values associated with a democratic society. Such assistance—

(1) should to the extent possible be used to support the development of programming rather than to support broadcasting;

(2) should not be used to pay for real estate, equipment, and personnel costs that could appropriately be born by the recipient country in its own currency; and

(3) should be aimed at yielding self-sufficiency in the production of children's educational television programming within approximately a two-year period.

SEC. 10. AMERICAN BUSINESS CENTERS.

(a) FINDINGS.—Congress finds that—

(1) United States economic assistance to the independent states of the former Soviet Union is aimed at promoting their transition to market-oriented economies fully integrated with the international community;

(2) trade and investment by United States companies in those states would serve not only the United States interest in their successful transition but also the broader economic interests of the United States; and

(3) to promote these interests, the United States has established an American Business Center in Warsaw to facilitate efforts by the United States to evaluate trade and investment opportunities.

(b) AUTHORITY.—The President is authorized and encouraged to establish additional American Business Centers in countries being assisted under this Act and the SEED Act of 1989 where the President determines that such Centers can be cost-effective in promoting the objectives of this Act and United States economic interests. To the maximum extent possible, the President should direct—

(1) that host countries be asked to make appropriate contributions of real estate and personnel for the establishment and operation of such Centers;

(2) that such Centers offer office space, business facilities, and market analysis services to United States firms and state economic development offices on a user-fee basis that minimizes the cost of operating such Centers while offering economies of time and cost to users; and

(3) that such Centers be established in several sites among the various independent states of the former Soviet Union and the countries of Eastern and Central Europe.

SEC. 11. INTERNATIONAL FINANCE CORPORATION.

The United States Governor of the International Finance Corporation may vote for any increase of capital stock of the Corporation that may be needed to accommodate the requirements of the independent states of the former Soviet Union.

SEC. 12. SUPPORT FOR MACROECONOMIC STABILIZATION.

(a) IN GENERAL.—In order to promote macroeconomic stabilization and the integration of the independent states of the former Soviet Union into the international financial system, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union.

SEC. 13. ADMINISTRATIVE AUTHORITIES.

(a) ADMINISTRATIVE EXPENSES.—Of the funds authorized to be appropriated by this Act, such sums as may be necessary may be used for administrative expenses of United States Government agencies in connection with administering programs in furtherance of the objectives of this Act.

(b) EXTENSION OF FOREIGN ASSISTANCE ACT AUTHORITIES.—In making available funds authorized to be appropriated under this Act, the President may utilize any of the authorities applicable to the provision of assistance under the Foreign Assistance Act of 1961, as amended, and to programs for which appropriations are made in annual foreign operations, export financing, and related programs appropriations Acts.

(c) WAIVER AUTHORITY.—Assistance may be provided and authorities may be exercised for the objectives of this Act notwithstanding any other provision of law, except the Antideficiency Act, title 31 of the United States Code, the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the Budget Enforcement Act of 1990. In any fiscal year, amounts made available for assistance under this Act shall not exceed amounts appropriated in advance in appropriations Acts, and assistance under this Act shall not exceed the limitations in such appropriations Acts.

(d) AUTHORITY TO USE FUNDS AVAILABLE UNDER THE FOREIGN ASSISTANCE ACT.—For programs for the independent states of the former Soviet Union, the President is authorized to utilize funds made available to carry out the Foreign Assistance Act of 1961. Any funds made available under chapter 4 of part II of that Act may be utilized on the same basis as funds authorized to be appropriated by this Act.

(e) DIRECT LOAN AND GUARANTEE AUTHORITIES.—Funds authorized to be appropriated by this Act may be utilized to cover the cost, including the cost of modifying such loans, of direct loans and loan guarantees with respect to the independent states of the former Soviet Union, including loan guarantees provided consistent with the provisions of section 108 of the Foreign Assistance Act of 1961, as amended, Title IV of chapter 2 of part I of that Act, and the Export-Import Bank Act of 1945, as amended, and to cover the administrative expenses for such direct loans and loan guarantees.

SEC. 14. NOTIFICATIONS TO CONGRESS.

The notification requirements applicable to reprogramming under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) and the comparable notification requirements contained in sections of annual foreign operations, export financing, and related appropriations Acts apply with respect to obligations of funds made available to carry out this Act, notwithstanding any other provision of this Act.

SEC. 15. ANNUAL REPORT.

The President shall include in the Annual SEED Program Report required by section

704(c) of the SEED Act a similarly detailed account of activities under this Act. Each such report shall describe the extent to which statutory prohibitions and restrictions on the provision of assistance for types of programs and activities have been waived under the authority of section 13(c) of this Act.

SEC. 16. QUOTA INCREASE FOR INTERNATIONAL MONETARY FUND.

(a) The Bretton Woods Agreements Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, limited to such amounts as are appropriated in advance in appropriations Acts.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45-3 of the Board of Governors of the Fund.

"SEC. 58. APPROVAL OF FUND PLEDGE TO SELL GOLD TO PROVIDE RESOURCES FOR THE RESERVE ACCOUNT OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST.

"The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the Fund's pledge to sell, if needed, up to 3,000,000 ounces of the Fund's gold, to restore the resources of the Reserve Account of the Enhanced Structural Adjustment Facility Trust to a level that would be sufficient to meet obligations of the Trust payable to lenders which have made loans to the Loan Account of the Trust that have been used for the purpose of financing programs to Fund members previously in arrears to the Fund.".

(b) Recognizing the need for the independent states of the former Soviet Union to adopt policies to stabilize and reform their economies on the basis of market principles, the United States Governor of the Fund is authorized to instruct the United States Executive Director of the Fund to vote to disapprove a Fund program for any such State that has not enacted or taken substantial steps to enact the legal and policy frameworks necessary for the private ownership of property, the conduct of private business activities, and the privatization of state-owned enterprises.

SEC. 17. STATUTORY LISTS OF COMMUNIST COUNTRIES AND SOVIET-SPECIFIC RESTRICTIONS.

(a) FOREIGN ASSISTANCE ACT OF 1961.—Section 620(f)(1) of the Foreign Assistance Act of 1961 is amended by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(b) EXPORT-IMPORT BANK ACT OF 1945.—The Export-Import Bank Act of 1945 is amended in section 2(b)(2)(B)(ii), by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(c) JOHNSON ACT.—Section 955 of title 18, United States Code, shall not apply with respect to any obligations of the former Soviet Union, or any of the independent states of the former Soviet Union, or any political subdivision, organization, or association thereof.

(d) WAIVER AUTHORITY.—

(1) With respect to any of the independent states of the former Soviet Union, the President is authorized to waive the application of any provision of law that restricted the eligibility of the Soviet Union, as in existence before December 25, 1991, regarding any program, benefit, or other treatment.

(2) Paragraph (1) shall not apply to the provisions of title IV or title V of the Trade Act of 1974, except as otherwise provided in such titles.

SEC. 18. ADDITIONAL STATUTORY PROVISIONS.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 234(g)(2) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "or" and inserting a comma in lieu thereof; and

(2) inserting ", and the independent states of the former Soviet Union" after the word "Act".

(b) AMENDMENTS TO FOOD SECURITY ACT OF 1985.—Section 1110(b) of the Food Security Act of 1985 is amended by—

(1) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, or other private entities"; and

(2) inserting after "such countries" the phrase ", including the independent states of the former Soviet Union".

(c) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(1) in subsection (b), by inserting ", services, and agricultural goods and materials" after the word "facilities";

(2) in subsection (d)(1)(B)(i), by inserting ", farmers, other persons from the private sector," after "agricultural consultants"; and

(3) by amending subsection (d)(1)(D) to read as follows:

"(D) TECHNICAL ASSISTANCE.—The President is authorized to provide, or pay the necessary costs for, technical assistance to enable individuals or other entities to implement the recommendations, or to carry out the opportunities and projects identified under, paragraph (1)(A).".

(d) OTHER PROVISIONS APPLICABLE TO AGRICULTURE PROGRAMS.—

(1) FOOD SECURITY ACT OF 1985.—The ceiling limitation contained in section 1110(g) of the Food Security Act of 1985 shall not apply with respect to commodities furnished from stocks of the Commodity Credit Corporation during fiscal years 1992 and 1993 to the independent states of the former Soviet Union.

(2) AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.—For fiscal years 1992 and 1993, the ceiling limitation contained in section 202(e)(1) of the Agricultural Trade Development and Assistance Act of 1954 shall not apply with respect to programs for the independent states of the former Soviet Union. Any funds made available under that Act may be made available under section 202(e)(1) to assist private voluntary organizations and cooperatives in establishing new food assistance programs for those states under provisions of law other than title II of that Act, as well as for the purposes described in paragraphs (A) and (B) of that section.

(3) AGRICULTURAL TRADE ACT OF 1978.—The Secretary of Agriculture, in carrying out his responsibilities under section 202(f) of the Agricultural Trade Act of 1978, shall take into account the major economic reforms that have been and are occurring in the independent states of the former Soviet Union and the substantial enhancement in the international financial standing of those states to which such reforms can be expected to lead, as well as the contribution that guarantee programs of the Commodity Credit Corporation for these states can be expected to make in these circumstances to the purposes described in sections 202(c) and 202(d) of that Act, with a view toward maintaining a substantial guarantee program to promote the export of United States agricultural commodities in those states.

SEC. 19. TECHNICAL AMENDMENTS TO SEED ACT.

The SEED Act is amended by inserting the following after section 2—

"SEC. 3. DEFINITION.

"As used in this Act, the term 'Central and East European states' shall include Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that have been part of Yugoslavia.

"SEC. 4. SCOPE OF AUTHORITY.

"With regard to any activities authorized by this Act to be conducted in Poland or Hungary, the President may conduct similar activities for any of the other Central and East European states if such similar activities would cost-effectively promote a transition to market-oriented democracy.

"SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

"In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President for fiscal years 1992 and 1993 such sums as may be necessary to carry out this Act. Funds authorized pursuant to this Act are authorized to remain available until expended.".

SEC. 20. CORRECTION OF REFERENCE TO SOVIET UNION AND EXTENSION OF CERTAIN PROVISIONS.

(a) Section 599D of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, is amended—

(1) in subsection (b)—

(A) in paragraphs (1)(A), (2)(A), and (2)(B), by striking "of the Soviet Union" each place it appears and inserting "of an independent state of the former Soviet Union or of Estonia, Latvia, or Lithuania",

(B) in paragraph (1)(A), by striking "in the Soviet Union" and inserting "in that state", and

(C) in paragraph (3), by striking "and 1992" and inserting "1992, 1993, and 1994";

(2) in subsection (e), by striking "October 1, 1992" each place it appears and inserting "October 1, 1994"; and

(3) by striking subsection (f).

(b) Section 599E(b) of such Act is amended—

(1) in paragraph (1), by striking "of the Soviet Union," and inserting "of an independent state of the former Soviet Union, Estonia, Latvia, or Lithuania, or", and

(2) in paragraph (2), by striking "September 30, 1992" and inserting "September 30, 1994".

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. PELL] is recognized.

Mr. PELL. Mr. President, today, the Senate begins consideration of S. 2532,

the Freedom Support Act, which is the administration's request for authorization of assistance to the States of the former Soviet Union. Having heard President Yeltsin's compelling address on the urgent need for U.S. assistance and cooperation, there is no need to elaborate further on the necessity of swift congressional action on this bill. I would like to add, however, that even though we are considering this bill in the wake of Russian President Yeltsin's visit, the scope of the bill extends far beyond the Russian Federation. It authorizes United States assistance to all of the countries of the former Soviet Union.

The Foreign Relations Committee reported the Freedom Support Act on June 2. Although the committee changed the format of the administration bill, the bill as reported contains virtually all of the authorities requested by the administration, and is supported by the administration. The vote in committee was 15–4.

The original administration bill contained sections in the jurisdiction of several other committees, and the bill reported by the Foreign Relations Committee is the product of a closely coordinated effort among the relevant committees.

Specifically, sections proposed by the administration that are within the jurisdiction of the Agriculture and Banking Committees are in the bill, but it was agreed that those committees would offer amendments to their sections on the floor if they felt it necessary. It is my understanding that the Agriculture Committee will offer amendments. With regard to the Banking Committee, I ask unanimous consent that an exchange of letters that I entered into with the chairman of that committee be printed at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, revenue provisions within the jurisdiction of the Finance Committee were deleted at that committee's request and will be addressed separately on one or more revenue bills in order to avoid a House blue slip problem. A section within the jurisdiction of the Intelligence Committee was also deleted at that committee's request, but I understand that it will not be the subject of an amendment on the floor. I further understand that the Intelligence Committee would prefer that the administration use existing authorities to accomplish the purpose of the deleted section.

The Foreign Relations Committee modified the administration's bill to protect the prerogatives of the appropriations and budget processes. Several concerns that relate to the cost associated with the bill will be addressed in amendments that Senator LUGAR and I will offer shortly.

Finally, with regard to the Armed Services Committee, there was insufficient time to address a proposal on defense conversion from that committee in our markup; so it was deferred. Members of the two committees recently met to resolve jurisdictional overlaps, and the resulting amendment will be embodied in an amendment to be offered by the chairman and ranking minority member of the Armed Services Committee.

Mr. President, I am often asked how much money is in this bill. With respect to funds authorized for bilateral foreign assistance programs for the former Soviet Union, the bill as reported by the committee does not specify dollar amounts. Instead, at the request of the administration, the committee approved language authorizing "such sums as may be necessary" to carry out aid programs for the former Soviet Union. The Congressional Budget Office estimates that this authority will result in new appropriations of $150 million in fiscal year 1992 and $531 million for fiscal year 1993.

The bill also authorizes the U.S. Governor of the International Monetary Fund to consent to an increase of the U.S. quota in the Fund, an amount estimated to be $12.3 billion. I would emphasize to my colleagues that transactions between the U.S. Treasury and the IMF are monetary exchanges through which the U.S. receives an international reserve asset, and the exchanges are not budgetary receipts or expenditures. There are thus no net budgetary outlays associated with the IMF quota increase.

In addition, the bill authorizes "such sums as may be necessary for the East European SEED Program for fiscal years 1992 and 1993." The Congressional Budget Office estimates a $450 million appropriation under this authority for fiscal year 1993, the same amount as the administration's request.

Thus, for fiscal year 1992, the total cost estimate for programs in the former Soviet Union and Eastern Europe authorized in the bill is $12.464 billion, of which $12.314 billion results in no net budgetary outlays. For fiscal year 1993, the total cost estimate for these programs is $981 million; $400 million has already been appropriated for fiscal year 1992.

Because of concerns expressed to us that the lack of authorization ceilings constituted an open-ended authorization, Senator LUGAR and I have agreed to offer an amendment replacing the "such sums as may be necessary" language with the specific authorizations requested by the administration. The total of these authorizations will be approximately $28 million below the original CBO cost estimate.

In addition to authorizing appropriations, the bill reported by the Foreign Relations Committee removes country-specific restrictions and prohibitions on all forms of assistance, including existing credit programs, for activities in the former Soviet Union.

The bill also authorizes the President to conduct the kinds of activities authorized by the SEED Act of 1989 for the countries of the former Soviet Union. It grants any United States Government Agency that has administrative authorities under SEED the same administrative authorities with respect to the newly independent States of the former Soviet Union.

I share the administration's view that it is important to have a comprehensive legislative framework for activities in the former Soviet Union, and that is just what the Freedom Support Act seeks to achieve. This framework commits the legislative and executive branches to work together to advance important U.S. interests.

In light of the extensive coordination process among the relevant committees, I hope that amendments can be held to a minimum. Moreover, Senator LUGAR and I have agreed to oppose all amendments unrelated to assistance for the former Soviet Union without prejudice to their subject matter. This is not a general foreign policy bill, and accordingly, Senator LUGAR and I will move to table all amendments that do not directly relate to aiding the former Soviet Union. It is my hope that by taking this approach, the Senate can complete its work on the bill in a timely and constructive fashion.

Finally, I would like to add that the committee's efforts on this bill would not have been possible without the cooperation of the ranking minority member, Senator HELMS, who, regrettably, cannot be with us during floor consideration of the bill. Our thoughts are with him.

I look forward to working once again with Senator LUGAR, who has been designated by HELMS as acting ranking member of the committee. Senator LUGAR and I have a good working relationship. Our staffs have been cooperating closely to prepare this bill for the floor, and I believe that we can proceed expeditiously and smoothly to final passage of this bill.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, April 7, 1992.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to request your assistance in connection with the Foreign Relations Committee's consideration of legislation proposed by the Administration authorizing assistance to the states of the former Soviet Union. The items contained in the Administration's proposal are largely in the jurisdiction of the Foreign Relations Committee; however several sections amend legislation originating from other committees or otherwise fall within the jurisdiction of other committees.

I would like to accommodate the Administration's desire to have a single comprehen-

sive bill enacted. At the same time, I want to respect the jurisdictional interests of other committees. Consequently, I would appreciate your advising me, by the end of this week if possible, how you would like the Foreign Relations Committee to proceed with respect to ExIm Bank portions of Section 7(c)(4), Section 12 and Section 14(b), which are within the jurisdiction of the Banking Committee, and the waivers in Section 14(d) relevant to your Committee.

As I see it, there are three options. The first would be for the Foreign Relations Committee to delete items in your jurisdiction from the bill when it is reported, thus deferring consideration of such items to the amendment process on the Floor. The second option would be to convey to me whatever revised language you would like the Foreign Relations Committee to include when the bill is reported. The third option would be for the Foreign Relations Committee to include items in your jurisdiction in their present form when the bill is reported.

These options were discussed at yesterday's weekly meeting of committee staff directors, and copies of the bill along with other relevant materials were circulated. If you have any questions or comments, please let me know or have a member of your staff contact Jerry Christianson, the Staff Director of the Foreign Relations Committee. His direct extension is 4-2518.

With every good wish.

Ever sincerely,

CLAIBORNE PELL,
Chairman.

COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS,
Washington, DC, April 10, 1992.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of April 7 regarding the Foreign Relations Committee's consideration of legislation proposed by the Administration authorizing assistance to the states of the former Soviet Union.

Your letter requested advice on how the Foreign Relations Committee should proceed on provisions of the legislation which fall within the jurisdiction of the Banking Committee. The provisions you cited were: Section 7(c)(4), which authorizes the use of funds to support Export-Import Bank loans and guarantees to the former Soviet Union; Section 12, which is a sense of the Congress resolution urging continuation of efforts to reduce the number of exports restricted under COCOM procedures; Section 14(b), which deletes from the list of Marxist-Leninist countries in the Export-Import Bank Charter the countries of Eastern Europe and the former Soviet Union; and Section 14(d), which provides the President a national interest waiver of the application of any provision of law restricting benefits to the independent states of the former Soviet Union.

One procedure suggested in your letter was that the Foreign Relations Committee defer consideration of those items in your Committee and that they be addressed in the amendment process on the floor. This strikes us as a good approach. We would hope to work closely with you in fashioning a set of Banking Committee amendments on those matters that we would offer on the floor and that would be mutually acceptable to both of our Committees.

We would also like to draw your attention to two provisions in the legislation which appear to us to fall within jurisdiction shared by the Foreign Relations Committee and the Banking Committee. Section 9 of the legislation authorizes the U.S. contribution of the quota increase for the International Monetary Fund. Under Rule 25(i)(10) of the Standing Rules of the Senate, the Banking Committee has the right to request a sequential referral of such legislation. In addition, Section 10 of the legislation, regarding U.S. support for multilateral efforts at macroeconomic stabilization and debt rescheduling, as well as U.S. support for a currency stabilization fund for the independent states of the former Soviet Union, would also seem to fall within jurisdiction shared by the Foreign Relations and Banking Committees.

In order to facilitate swift consideration of this legislation we would not request a sequential referral of those provisions but would hope to work out an exchange of letters similar to those we exchanged last year during consideration of the IMF quota increase as part of the foreign aid bill.

If the procedures suggested in this letter are acceptable to you, please let us know and we will direct our staff to work with yours to meet your desired timeframe for dealing with this legislation.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.
JAKE GARN,
Ranking Republican
Member.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, June 22, 1992.

Hon. DONALD W. RIEGLE, JR.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On April 7 I wrote to you requesting your assistance in connection with the Foreign Relations Committee's consideration of legislation proposed by the Administration authorizing assistance to the states of the former Soviet Union. In the letter I noted that items contained in the Administration's proposal were largely within the jurisdiction of the Foreign Relations Committee but added that several sections dealt with matters within the jurisdiction of other Committees, including the Banking Committee.

In my earlier letter, one procedure I suggested for handling matters within your Committee's jurisdiction was that the Foreign Relations Committee defer consideration of those items in our Committee mark up, but that they be addressed in the amendment process on the floor. You and Senator Garn in your reply letter of April 10 favored that procedure and offered to develop a set of Banking Committee amendments on those matters that would be mutually acceptable to our two Committees that you would then offer on the floor.

Subsequent to that earlier exchange of letters, the Foreign Relations Committee, working with the Administration, decided that the most expeditious way to move the former Soviet Union aid package was for the Foreign Relations Committee to mark up the entire package. Your Committee was consulted and agreed to that approach provided you would have an opportunity to make changes to any items in the bill within your Committee's jurisdiction during floor consideration and provided further that we would appoint Banking Committee conferees on those provisions. Our Committee agreed to that and reported out legislation authorizing assistance to the former Soviet Union on May 13. We hope for full Senate consideration of that legislation this month.

I am writing this letter to confirm our understanding on these issues and to make clear my intention to include our correspondence on this matter in the CONGRESSIONAL RECORD during floor debate on the reported bill.

Thank you for your cooperation on this important matter.

With every good wish.

Ever sincerely,

CLAIBORNE PELL,
Chairman.

COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS,
Washington, DC, June 29, 1992.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is to confirm receipt of your letter of June 22 and to indicate that it confirms the understanding we reached for handling portions of the legislation authorizing assistance to the former Soviet Union that fall within the jurisdiction of the Banking Committee. We hope our full exchange of letters on this matter will be included in the CONGRESSIONAL RECORD during floor consideration of that bill and look forward to working closely with you on any Conference with the House that is needed to iron out differences between legislation passed by Houses that falls within Banking Committee jurisdiction.

Thank you for your continued cooperation on these important matters.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.
JAKE GARN,
Ranking Republican.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mr. KERREY). The Senator from Indiana [Mr. LUGAR] is recognized.

Mr. LUGAR. Mr. President, I am deeply pleased to share management responsibilities for the Freedom Support Act with my colleague, Senator CLAIBORNE PELL, of Rhode Island, and the chairman of the Committee on Foreign Relations. Senator PELL has demonstrated leadership in putting the administration's request for legislation before the committee, first of all, then in holding a series of succinct hearings and bringing the other relevant committees with jurisdictional interest with the bill into the process, and finally leading to a successful markup, reporting out the committee's product to the full Senate.

I share enthusiasm for working with him and leadership of this legislation and am most hopeful that our colleagues will share our enthusiasm for this important legislation.

Mr. President, this bill is the product of a long and sometimes laborious process that preceded its arrival before the Committee on Foreign Relations. It was a process that involved negotiations among the states of the former Soviet Union and the international community, between the administration and various international financial institutions, between various elements of the executive branch, between

the administration and elements of the Congress, but it is also the product of an educational experience with the American people who we serve.

Despite economic difficulties and hardships at home, the American people have demonstrated in poll after poll a sense of responsibility in assisting the peoples of the former Soviet Union in making the transition from totalitarianism to democracy. In this respect, the American people have been further ahead of the power curve than many elements in the executive and legislative branches of our Government.

Mr. President, what is this Freedom Support Act and what is it not. It is not charity; it is not a foreign aid giveaway. This is a bill crafted with American national interests at its heart, and its passage is designed to further those interests. But even more specifically, this bill is in the national security interests of the United States; it is an investment in political, economic and social reform in these new states that will pay dividends many times over in new American exports and the savings generated in our defense budget. While success cannot be guaranteed, it is a wise and prudent investment in our country's future as well as that of the states of the former U.S.S.R.

To be sure, this bill is about money, about resources that are not easy to come by. But it is more importantly a political statement concerning America's willingness to enter into a new strategic partnership with the newly independent states. In his address before a joint session of the Congress, Russian President Boris Yeltsin said on two occasions: "I don't understand you." He was referring to potential road blocks to assistance to his country. This bill is our answer; we do understand that the transformation of these States to democracy and market economics is in our interests; this bill is our contribution to their democracy manifesto—we will help, we will do so enthusiastically; we will do so, not as victors in the cold war, but as partners in the difficult trek toward democracy.

We could set up any number of impossible preconditions to implementation of this bill's provisions. Indeed, we have had to overcome many obstacles just to get this bill to the floor. We have sought to find a middle ground between the administration's desire for broad flexibility and authority in implementing the assistance package and the desire of various members to micro-manage the assistance process by inserting detailed program elements in the legislation, some of them mutually exclusive.

Mr. President, this bill is not a blank check—either to the governments of the former Soviet Union or to the administration. Nor is it a bill predicted on an endless series of government-to-government programs. Indeed, the bill is very clear on the need for the American private sector to take a leading role in assisting the new states, and many of the programs to be carried out under this legislation are designed to encourage and to provide incentives to American firms to become more fully engaged in these states. It is the American private sector that is the cutting edge in any new strategic partnership with the states of the former Soviet Union.

Thus, I would call upon my colleagues to demonstrate restraint with regard to amendments that seek to condition implementation of the bill's provisions on actions either by the governments of the new states or the U.S. Government that are impossible to meet. I repeat: it would be easy to condition this bill right out of existence. But I would maintain that passage of this bill will allow us a greater degree of influence over the process of transformation in these new states than any impossible conditions or reservations. This bill is predicated on a new Russia while any onerous conditions would merely reflect an approach more reminiscent of policy toward the old Russia.

Mr. President, this body does not need to seek political cover from this bill, either in the form of conditions to its implementation or procedural linkages to domestic legislation. Passage of this bill will not be a substitute for difficult decisions by the governments of these new states. We can assist; we cannot do it for them. By the same token, we should not fool ourselves that the outcome of the transition process does not matter to us. The results of the democratic and market-economics experiments in these states will have a profound, even decisive impact on the size and shape of the American Federal budget for years to come. We can make a modest investment now or run the risk of a return to defense budgets reminiscent of the heights of the cold war.

What we need from the Congress and the administration is not a run for political cover with respect to this bill but rather a demonstration of political responsibility and leadership grounded in America's national interests. There will be no political advantage to anyone if this bill fails, except perhaps reactionary forces lurking in the wings in these new states.

More specifically, Mr. President, Members of the Congress need to understand that near-term assistance to the former Soviet Union is also an investment in increased access by American business to a lucrative market. Paradoxically, the former Soviet Union is enormously wealthy both in natural and human resources, even though these States are presently experiencing severe economic problems. Appropriately facilitated by the U.S. Government, the American private business sector can realize a fair profit from investment in the former U.S.S.R. that will repay our near-term assistance many times over.

Consider, for instance, the match between the enormous oil and gas technology needs of Russia, Kazakhstan, and other countries in the area, and the unparalleled capabilities of the American private sector in this field. One manifestation of this potential is the just-concluded agreement between Chevron and the Republic of Kazakhstan on a joint venture to develop the vast Tengiz oil fields.

Another example involves the roughly 20,000 oil wells that presently stand idle in the former Soviet Union because of defective equipment and outmoded technology. American industrial specialists have indicated that a one-time investment of about $1 billion in American equipment and know-how would bring these wells back into production. Repayment could take the form of crude oil, valued at world prices and, to the extent that U.S. Government funds are involved, perhaps delivered to the U.S. strategic petroleum reserve. The United States would benefit from the sale of equipment and expertise. The participating countries of the former Soviet Union could realize rapid and comparatively inexpensive oil production gains that would boost their economies as a whole. In addition, such a venture could develop oil resources in an area removed from the volatile Persian Gulf, which would serve our national interests by diversifying world energy supplies.

A second source of wealth consists of the world-class human and material resources of the old U.S.S.R.'s huge defense complex. In the words of Anatoliy Rakitov, a Yeltsin adviser:

> Over the last six decades, 80-90% of our national resources—raw material, technical, financial, and intellectual—have been used to create the military-industrial complex. Essentially, the military-industrial complex has absorbed everything good and dynamic that Russia has to offer, including its basic economic capacity and its best technology, materials, and specialists.

Many of these resources can be converted from making weapons to providing desperately needed consumer goods and services. To date, however, conversion programs in the former Soviet Union have made minimal progress of continued emphasis on centralized planning and the lack of appropriate legal and financial practices as well as the requisite political and economic stability needed to attract Western investors.

The essence of a viable United States program for assisting defense conversion in the former Soviet Union is improvement in the climate for United States private sector investment. The United States Government should actively encourage and promote private sector investment in conversion of former Soviet defense enterprises. Many of the needed programs—such as

political risk insurance, Eximbank financing, improved staffing of our embassies, private enterprise funds—are included in the aid package before the Senate. What is also included in the package is the clear message to governmental authorities in the new States that an improved climate for U.S. investment will require significant changes in strategy on their part, from central planning to privatization and the promotion of joint ventures with Western firms.

These programs in the aid package need to form the core of a policy emphasis on defense conversion that pulls together the essential components into an integrated, high-priority strategy. This will reduce the military threat from the former Soviet Union. It will provide jobs and profits for American business. And it will assist the economic and democratic reform process in the former Soviet Union. As Yeltsin adviser Rakitov has pointed out:

* * * conversion of the military-industrial complex is synonymous with our economic reform * * * Sensible conversion of the defense industry is the only possible basis for our market economy and guarantee of our future programs and prosperity.

Mr. President, this aid package does not contain the final answers to the complex, deeply rooted problems faced by the successor states of the Soviet Union. However, common sense tells us that we will serve our interests, as well as those of the peoples of the former Soviet Union, by concentrating our efforts on helping them to utilize the riches that are locked underground in their vast reserves of oil and gas and in their enormous defense complex, and by helping them to retrain their professional scientific and military corps.

Mr. President, the administration has rightly highlighted the importance of assistance to the countries of the former Soviet Union by characterizing it as "the opportunity of the century." The aid bill before the Senate is part of our proposed response to that opportunity. The political statement provided by passage of this bill is probably more important than the dollar amounts contained in it.

In this regard, the experience with the Nunn-Lugar amendment of last November is instructive. Even though few of the funds provided by that amendment have actually been spent, the amendment has served to focus the attention of officials in the newly independent States on U.S. goals and objectives, particularly with respect to nuclear weapons, defense conversion, and nonproliferation. The tools provided by that amendment have served to complement and reinforce the administration's diplomatic and negotiating efforts to promote U.S. security interests by assisting in the movement, safe storage, and disablement of nuclear and other weapons of mass destruction.

In short, the mere existence of the Nunn-Lugar amendment and the statement of political purpose it sent, not a particular dollar amount, have played an important role. It has served as that mechanism or prism through which much of the U.S. working relationship with the newly independent States of the former Soviet Union has been filtered over the last 6 months. It has served as a mind-focusing incentive for many of the new leaders in these successor States who are inexperienced in military affairs, particularly nuclear affairs. Indeed, a member of Boris Yeltsin's staff who accompanied him to the recent Washington summit, indicated that the Lisbon protocol to the START Treaty and the deeper cuts announced by Presidents Bush and Yeltsin at that summit would have been impossible without the Nunn-Lugar amendment.

The new leaders of these States are necessarily preoccupied with establishing and organizing their new governments, stabilizing their economies even as they undertake drastic economic reforms, and consolidating the support of their peoples. Herein lies the importance of the aid package. It can provide them with some of the tools to accomplish these objectives; it can focus their attention as well on supportive, nonthreatening U.S. objectives and goals.

The Freedom Support Act will serve as that primary mechanism or vehicle through which much of the United States working relationship with these new States will be filtered over the remainder of this century.

There are times when our country's national security interests must transcend narrow political agenda and partisan political differences. This is such a time. The Senate has the opportunity to lead the way in responding to the challenges and opportunities presented by the transformations currently underway in the former Soviet Union. It should seize that opportunity by passing the Freedom Support Act.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I want to compliment the two Senators who are handling this measure, the chairman and ranking member of the Foreign Relations Committee, for their leadership in handling this measure so effectively in the committee, and now in presenting it on the floor of the Senate.

I think this is one of the most important measures that we will deal with during this session of Congress for many, many reasons.

FREEDOM SUPPORT ACT: A RESOUNDING "NYET" TO A RETURN TO THE BAD OLD DAYS

Mr. President, Will Rogers used to say that Americans were great at winning wars, but markedly less successful in keeping the peace.

Today we are faced with an opportunity to show that we have learned something in the nearly six decades after the famous Oklahoman humorist's death.

A world war, two nondeclared wars—Korea and Vietnam—and scores of brutal police actions that came after Rogers' sage observation are too high a price to have paid for us now to shirk our responsibilities as peacemakers today, in the vespers of the 20th century.

I know from whereof I speak.

As a young correspondent in Germany in the interwar period, I saw Adolf Hitler feed upon the seething resentment of a tired, hungry, and defeated people.

The lessons of the "war to end all wars"—which Senator BIDEN first spoke about—were forgotten as Europe and much of the rest of the world prepared for yet another conflagration. Then, as now, there were people in the United States who claimed, as America was slowly climbing out of the Great Depression, that our priorities were "America First," as if what happened in Europe and in Asia had nothing to do with us.

Within a decade, tens of millions of people had died in the war, and a new age of weapons—first tested upon the civilian populations of Hiroshima and Nagasaki—instilled an unthinkable form of dread, a sense that humankind was treading dangerously close to its own suicide by nuclear holocaust.

In the aftermath of World War II there were again those who said we must turn inward, leaving a ruined and shattered Europe to fend for itself. Foreign aid was as unpopular then as it is today, and President Truman enjoyed no more support in the polls than President Bush does today.

We persisted, and so did our country. And half of Europe lived free as a result.

Mr. President, in this debate today, I ask my colleagues: How often have we met on this floor to approve many times more of our treasure to prop up some brutal anti-Communist regime in some forgotten hellhole in some far-flung corner of the world?

How often have we voted billions for weapons with names like "B–2 Stealth Bomber" or "The Peacemaker," whose sole purpose was to add muscle to our arsenal of death, a surfeit our geostrategists told us was necessary to cope with the threats and the weaponry of our ideological enemies?

Today we have an opportunity to make a small investment for peace.

Not the $10 billion plus some of the critics have cried out against, perhaps more out of ignorance than out of malice.

Mr. President, I ask our colleagues not to be misled by the rhetoric surrounding opposition to this effort. The budget outlay is, in today's terms, quite modest—just a little more than $600 million, less than the cost of one B–2 bomber.

In this era of uncertain political leadership, let us be leaders.

Let us talk sense to the American people, and let them know that those of us who cheered Boris Yeltsin just 2 weeks ago will not this week abandon him, leaving it to him to carry on a fight that is ours just as surely as it is that of the Russian and other republics.

Who can quarrel, who here has the standing to deny, the truth of Yeltsin's claim, when he said:

It is in Russia that the future of freedom in the 21st century is being decided. We are upholding your freedom as well as ours.

Mr. President, I am particularly pleased that this legislation encompasses several of the concerns about which I have been most vocal over the past several years.

I am very pleased that the Freedom Support Act contains provisions to provide support in the areas of administration of justice and the rule of law. Although the administration has been slow to awaken to the need for this type of assistance, there is a growing recognition that without strong justice institutions, democratic governance is virtually impossible.

I would also like to point to the fact this legislation contains authorization to expand financing of the highly-successful cooperative development research and cooperative development projects carried out by the United States and Israel to the newly independent republics of the former Soviet Union.

USAID and Israeli universities have been conducting these programs, with their state of the art technology in agricultural development, in Africa, Asia, and elsewhere for the past 20 years. Israel, as a young democracy, can provide an important role model for these emerging democracies of the FSU.

I am also very pleased that the committee has, in providing for the "purchase, bartering or otherwise acquiring" of ex-Soviet special nuclear materials [SNM], adopted the central concept of the nuclear weapons security and plowshares bill I introduced, together with the distinguished chairman of the Foreign Relations Committee and others, late last year.

The potential uncontrolled release of some 500 tons of high-enriched uranium and 100 tons of plutonium currently held by the Russian Republic is a clear proliferation risk for the future.

Although existing legislation provides for the indefinite storage of these special nuclear materials [SNM], in Russia, and there is now a growing debate in the National Security Council and elsewhere in the administration about what needs to be done, the ultimate disposition of special nuclear materials is still unresolved as a matter of policy.

The committee report correctly observed that:

Current arms control agreements provide for the elimination of delivery systems, but do not address the issue of the dangerous and growing stockpile of weapons-usable fissile materials in retired nuclear warheads. * * * The committee believes that United States efforts to provide agricultural and other essential commodities to the Republics of the former Soviet Union in exchange for special nuclear materials can significantly reduce the proliferation of these materials.

In the same vein, I am also very pleased that we were able to agree in the committee markup to provide the authority to improve nuclear power plant safety.

Mr. President, we know from our own experience that democracies are not born overnight. Nor can we expect that totalitarian, command economies can be instantly transformed into competitive, market-oriented systems.

Though we have not yet perfected our own system—the riot in Los Angeles is manifest evidence of that—we can offer valuable assistance and support.

Indeed, if the citizens of these new democracies see only hunger, shortage, and chaos, they may very well turn away from democracy, as they see it, and reach out to anyone who is offering them anything.

We have all read the heartwrenching reports of hunger, cold and illness in the republics, and can understand the difficulties their citizens are facing today. In fact, I have been over there several times in recent months, and am overwhelmed, yet inspired, by all the tasks that lie ahead of them—and us.

Few times in my Senate career, now nearly 24 years long, have I felt that the issue before us was as momentous as that before us today.

History tells us that we are being offered a chance which we would be foolish to ignore. Let us not turn our backs on democrats, in Russia and elsewhere in the former Soviet Union, who have made us proud of our heritage and our sacrifices.

Let us promote in peace our values of pluralism and democracy.

If we stand on the sidelines, and these besieged and struggling democracies fail—in Russia, the Ukraine, Georgia, and elsewhere—we will face not only the awful judgment of history, but also a world that is a much more dangerous place than we find today in this year 1992.

This measure, Mr. President, would cost only $620 million in cash outlays, along with support for sizable International Monetary Fund credits. Compare that to the trillions of dollars we spent over past decades on military measures designed to defend us against Soviet Communism. We spilled American blood in costly wars in Korea and Vietnam, splitting our country wide open, in an effort to contain Communism and prevent the spread of Soviet influence.

If Boris Yeltsin's democratic government in Russia falters, fails, and falls because we fail to give him a modest helping hand, we could face grave, grave dangers, all over again. A new hostile Communist, fascist, or military regime could replace Yeltsin's democracy, armed with a huge arsenal of nuclear weapons, threatening our security and the stability and the peace of the world all over again.

Mr. President, if we are successful and they are successful over there, military spending can be dramatically decreased in coming times. We can achieve a peace dividend to begin to do many things we cannot now afford to do to lift the living standards of our people in this country; we can deal with the deficit that was, in part, caused by this vast military spending, deal with the unbalanced budget caused in part by this vast military spending, deal with the huge national debt, caused in part by this vast military spending.

We have an opportunity to move toward a time when we will have far better priorities for our investments and for the people of our country and indeed the people of the world. But a first small step is to pass the measure now before us.

Mr. GORTON. Mr. President, the collapse of the Soviet empire and the emergency of its successor states in Eastern Europe and in Asia are clearly the most dramatic and profound political and economic events since the end of World War II.

In an historic manner, the independent nations in Eastern Europe—Poland, Hungary, Czechoslovakia, and others—have simply sloughed off Communist regimes and took up where they left off 40 or 50 years ago—perhaps 40 or 50 years further behind Western Europe than they would have been had that Communist regime not intervened. Nonetheless, with an even greater commitment toward free political institutions and free markets, they approach their future with great difficulties but also with great enthusiasm.

Other more integral elements of the Soviet empire such as the three Baltic Republics regained a total independence which had been theirs only for brief periods in the history of the last several centuries. Facing considerably more difficult challenges since their economies and their currencies had been integrated with that of the Soviet Union, the challenges facing them were and are even greater than those which faced nations like Poland and Hungary.

Nevertheless, they shared the dream of those other nations of an orientation toward the West both with respect to political and economic philosophy, and they have at least begun that long and difficult road.

Finally, the various integrated Soviet Republics have declared their independence but still search for a way to retain some association reflecting their almost complete interdependence

with the states of the former Soviet Union.

Through all of these epochal events in the history of the world during the late 1980's and early 1990's, the Soviet Union was presided over by Mikhail Gorbachev, the last of the unelected Communist leaders of that nation and that empire.

Mikhail Gorbachev is of course a seminal political individual in this history, the man who opened Pandora's box in order, in his own views, to reform communism and to preserve the Soviet Union. He consistently asked for aid from the United States in securing those two goals. He pointed out with some accuracy that his attitudes toward the United States were profoundly different and far more peaceful than were those of his predecessors. Nevertheless, he asked for our aid in order to attain goals which turned out to be impossible and clearly undesirable.

That aid was not proffered by this Congress or by either of the administrations from which it was requested. Some Members of this body wanted to offer that aid, but that group never approached a majority in the Senate or in the House, much less in the administration. It never, incidentally, received the approval or the support of this Senator.

Only Boris Yeltsin, during the course of this phenomenal transition, had the courage to understand the total and complete both moral and economic failure of the Communist regime. Only Boris Yeltsin had the courage and the willingness to put his name before the people of Russia in a truly free election and to become a properly elected leader of that most significant of all of the successor states to the Soviet Union. Only Boris Yeltsin in those difficult days had the willingness, the intelligence, and the foresight as well as the courage to say that Russia's future was in a total repudiation of its past and would require the adoption of the very Western institutions against which his predecessors had struggled and for which the rest of the Soviet empire yearned.

Now he and Russia and the other successor states are engaged in an adventure comparable perhaps to the beginning of our own Republic, both as promising as that was in 1787 and as uncertain.

Boris Yeltsin's request for aid from the United States and from the West is profoundly different from the request which we received from Mikhail Gorbachev. They should be met as a result and because of their different goals openly, graciously, and generously. They should be met affirmatively by this body during the course of the debate for three reasons. First, and perhaps least important, they are modest. This is no Marshall plan in which we are asked to engage. It is a very modest set of proposals designed to strengthen the forces for reform in Russia and in some of the other successful states as well.

Second, responding affirmatively to this request will be wise. Boris Yeltsin proposes to implement a set of ideas both as to politics and economics identical to those for which we have stood during the almost half century of the cold war, identical to those which we have proposed even at times in which there seemed no possible change they would be accepted. Boris Yeltsin's speech to a joint session of Congress some 2 weeks ago illustrates the breadth of the victory of the ideals for which the United States stands and therefore the necessity for our investing in the success of those ideas.

Finally, Mr. President, providing aid as outlined in the bill will increase rather than decrease the ability of this country to deal with its own domestic agenda, first, of course, because a prosperous Soviet Union will end up being a productive trade partner with the United States and will help improve our own economy and create jobs, but even more significantly, because it is the belief of this Senator, Mr. President, that $1 of support now through these methodologies is likely to save us $100 in investments and further national defense in the future should the Yeltsin experiment fail and should Russia relapse into the situation and attitudes which it exhibited for so many years before Boris Yeltsin came to power.

This is a modest and a wise proposal, wise for the United States as it is necessary for Russia and for the other republics, and, Mr. President, I believe that without significant change we should adopt it.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, what the people in Russia are trying to do now is a good deal more difficult than what our Founding Fathers did. The task before us 200 years ago was to build on freedoms which began to evolve with the Magna Carta and to continue to expand the capitalist system that went back at least to Adam Smith.

So it could be argued that the Founding Fathers of this country did not start exactly from scratch. The contrary is the case in Russia. What Boris Yeltsin and his colleagues are trying to achieve has never been achieved before. It is much more difficult than anything we have been able to do here.

Mr. President, obviously, we ought to help. As a matter of fact, the piece of legislation before us today is the one piece of legislation I can think of that we may actually pass this year that will do somebody some good. And it may well be done on a bipartisan basis, which will certainly distinguish it from everything else we have done here this year.

Thanks in large measure to the speech that Boris Yeltsin made to a joint session 2 weeks ago, I find that Members of Congress are now crawling out from under their desks and willing to rise to the challenge that has been presented to us, which is to pass a piece of legislation which in many ways is relatively modest, but is so important symbolically at this particular juncture in the history of this world.

So this is an enormously important piece of legislation, and I hope we will act with dispatch here in the Senate to approve it.

Mr. President, I was recently talking to the President's coordinator for assistance to Russia and the Republics. I put the question to Rich Armitage: What exactly are we trying to do? What is this bill about? As always, he summed it up simply and, in my view, rather brilliantly by saying, this bill is about brains, not big bucks. What we are trying to offer is our expertise in banking, and in business, in farming, and in housing, the environment, energy, health care, and education.

We are offering expertise, Mr. President, because as we heard from President Yeltsin, we have learned over the months since the coup, the Republics are facing unprecedented challenges. Yeltsin spoke to the problems in every Republic when he said that to survive, each Republic must carry out reforms in an "economy stripped over seven decades of all market infrastructure," assuming any kind of market infrastructure existed even before that.

They must "lay the foundations for democracy and restore the rule of law in a country * * * poisoned with social strife and political oppression." And that is just the beginning. The Freedom Support Act is our first step to help with this remarkable transition.

This is not foreign aid as we have come to know it. It is not building big dams at the taxpayers' expense; it is offering big ideas. The United States is taking a leadership role, without—I repeat, without—footing the bill. For the Republics to thrive, it will require a global effort. Today, the Senate has the opportunity to make a bipartisan commitment to that ambitious agenda. We are sharing in establishing historic policies and priorities. As Ambassador Strauss has so forcefully testified, "democracy and freedom are on trial * * * these Republics need help; they do not need charity."

A few weeks ago, I had a chance to meet with a delegation of Russian scientists. By their account, and certainly others who have appeared before the Foreign Relations Committee, this legislation is viewed as an important declaration of intent—our intent to support democracy and its defenders, free markets, and entrepreneurs with a del-

egation of Russian scientists. By their account, and certainly others who have appeared before the Foreign Relations Committee, this legislation is viewed as an important declaration of intent—our intent to support democracy and its defenders, free markets and entrepreneurs. President Yeltsin and the citizens who had the courage to counter the coup, President Kravchuk, the citizens in every Republic wondering, "what next?" should know we have issued this declaration of our intentions, this declaration of our support.

I believe we can meet the challenges presented in the new Republics by priming the pump—not flooding it. A little seed capital to encourage our private sector, American volunteers and the business community alike, can go a long way to foster free markets, secure democracy, and meet urgent humanitarian needs.

The administration's request does not represent a transfer or give-away of dollars to the Republics. Virtually all spending is on Americans who will provide technical expertise and services to facilitate the development of democratic institutions and free markets. We should benefit from that here.

I believe this bill lays out important priorities and programs in a way that will stand the tests of time and rapidly changing circumstances. It offers flexibility for the President without forfeiting congressional interests or opportunities to influence the shape of our bilateral relations with the Republics.

As I was considering the significance of this legislation, I asked my staff to add up what the cold war has cost us. Give or take a few billion, we have spent over $5 trillion since 1946 securing peace and advancing freedom and democracy. The time has come to show the American public and the world that we can rise to new challenges—that we are willing to make a commitment to reduce the global military and nuclear threat, generate new, prosperous free markets, and support struggling democratic institutions and civil liberties.

Two weeks ago, President Yeltsin stood before the Congress and called for a new partnership between the United States and Russia. In his words, that partnership, "is not at all a wasteful endeavor; on the contrary it will put an end to the meaningless waste of enormous resources; it will be truly beneficial to the American and Russian people. Such cooperation would promote a more efficient solution of your problems as well as ours primarily by creating jobs."

We have an opportunity to answer that call with the Freedom Support Act.

Historians tell us that the United States initially engaged in international affairs by engaging in the Spanish-American War. As we turned the corner on the 20th century, we turned to conflict. World War I and II, Korea, Vietnam—the list goes on. We opened the century with war—we must join President Bush and President Yeltsin, and the international community, to close the century with a commitment to advance freedom and secure peace.

In conclusion, Mr. President, this is a fine piece of legislation. It is not very costly. It is enormously important not just to the Russians but to us. This is not a bill that is just to benefit the Russians. This is about our interest, the interest of the United States and seeing our biggest threat for the last 45 years essentially disappear and become an ally. And beyond that, it is good business, because someday it is going to be a thriving, prosperous country; it is going to be a great market for American markets. It has been to a limited extent already and it will be much more so in that case in the future.

So, Mr. President, I hope that we will pass this legislation in short order.

I commend Senator LUGAR for his leadership in this issue and the chairman as well and look forward to participating in the debate as it proceeds.

Mr. President, I yield the floor

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I would like to rise not only in a fashion of my learned friend from Kentucky and others who have come to the floor to support this legislation but also to note the epic nature of events which brought us to this point and to express our gratitude to the Senator from Indiana, the Senator from Rhode Island, the chairman and acting ranking member, of our committee for bringing this bill to the floor.

There are going to be a number of people who will speak and have already done so with great emphasis of the details of the legislation and its importance to our Nation.

Instead, with the beginning of debate, I would like to tell a story. I see my friend from California is here. It is a story he likes.

Senator CRANSTON was one of the persons who brought home to the United States the nature of totalitarianism in Europe, that dark night that was just ended. We sometimes wonder how it would end. And for the longest while there were those in Washington who did not want to think of the cold war as ending. We do not quite understand yet how it came about.

But there is one little event that may help us understand. About a year ago, on June 19, 1991, Mr. Yeltsin came to the Senate to have coffee with us. We met him in the Mansfield room off the Senate floor. And as he came in, he was accompanied by the still Soviet Ambassador, but it was not quite clear what his role was, and other persons. We formed an informal receiving line, and we welcomed people thinking most of them were from the Soviet Embassy.

Finally, a gentleman in his early forties came along, and I shook hands. And he said in a manner with which all of us in public life have learned to deal in one way or another, "Do you remember me?"

And I said, "Well, yes."

And he said, "Oh, surely you remember; I was a member of the Soviet delegation to the United Nations General Assembly, the 30th General Assembly in 1975, when you were the Permanent United States Representative."

I said, "Oh, yes, yes, of course."

And then we exchanged comments. And he said, "You did not think any of us were listening, did you?" And he remarked—he will not mind my telling this story—of some of the great Americans we had on that delegation. The public member of the delegation was Clarence M. Mitchell, Jr., who was the legislative director of the National Association for the Advancement of Colored People, and he was, I think, affectionately known around here as the 101st Senator. Also present were Leonard Garment, Representative Fraser of Minnesota, and Representative Burke of Florida. It was a tumultuous General Session. It was during that time that the Portuguese Government collapsed in Lisbon and Angola and Mozambique were on their own. Suddenly the Soviets dispatched a Cuban force to Angola, and their own force. They invaded Africa. It was a very turbulent time, the time of the Soviet initiative that declared Zionism to be a form of racism.

It seemed like they were the most adamant, almost Stalinist in their aggression they had ever been.

He said, "You thought nobody was listening to any of the things you said in response, did you?"

Well, you sort of say, "Well, yes. Tell me, what are you doing now?" And he handed me this card, Mr. President, a simple card that said Andrei Kozyrev, Minister of Foreign Affairs of the Russian Soviet Federative Socialist Republic. He was Foreign Minister of Russia. And he was quite willing to say, "You know, we were listening to you all that time, even if we were not applauding." It was not, obviously, going to help anyone's career to sit over there in the Soviet delegation and applaud when the French or the Danes or the Americans spoke about what was going on.

But the fact is that they had begun to see how corrosive and evil and destructive that regime had been. They knew how hollow it was. It was during that time that Arkady N. Shevchenko, who was the No. 1 Soviet representative at the U.N. Secretariat, decided to defect.

There is always an American who is the Under Secretary General for General Assembly Affairs, and a Soviet Under Secretary General for Political and Security Council Affairs. At that

time, Shevchenko defected to us. He came over. And in the cruel way of these affairs during the cold war, he was kept as an "agent in place" for a couple of years. That was a man on the short list to succeed Gromyko. Anybody's list of five people who would succeed Gromyko included Shevchenko. And he defected to us.

I mean they were listening. They were saying they knew how awful things were at home, and they were willing to put their lives at risk. Shevchenko's wife is dead. They were willing to put their entire careers at risk. They were listening to us.

Now I would simply ask, Mr. President, can we not listen to them?

The Foreign Minister, Andrei Kozyrev, was here 2 weeks ago when Mr. Yeltsin was here. We were talking in the corridor where Senator DOLE introduced him to a group of us, and I said, "Hello, Andrei." He was very concerned that we not get wrong this business of prisoners of war which I know the Presiding Officer, gallant Presiding Officer, would be very sensitive to.

He said, "We don't know if we are right, but we are trying to be a democracy. We are trying to change all those things from the past. We are trying not to lie anymore."

Now it is not easy to talk that way in the capital of a nation that seemed an adversary for two generations. But they do. And I hope we would listen. I hope that we all see an opportunity for reconciliation here. I mean, it is an opportunity none of us could ever have dreamed would come, and here it is. It is a moment not to be missed.

Mr. President, I see Senator DOMENICI is here, and I want to hear from him.

Before I close, may I just say that I hope that—and I am sure Senator LUGAR agrees—that our dear colleague, Senator HELMS, is recovering. Were it possible for him, he would be here today, I think, with the same sense of wonderment at the Lord's work, and would welcome this legislation as did I, with great respect and gratitude to the managers of the bill.

Mr. President, I see my colleague is here, and I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I have not been present for a while. Might I inquire, is there a time limit on the matter now?

The PRESIDING OFFICER. There is not.

Mr. DOMENICI. I might say to the managers, they clearly do not want to be here late tonight. This is just the opening round. I do not want to keep you a long time.

I yield myself 10 minutes at this time, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FREEDOM SUPPORT ACT; A NECESSARY SYMBOL

Mr. DOMENICI. Mr. President, the enactment of this legislation surely will not guarantee a democratic, prosperous Russia and Ukraine. Only the peoples of the former Soviet Republics can determine their own future. We should not forget that fact.

On the other hand, as economists like to say, Senate failure to pass the Freedom Support Act would gravely weaken the forces of free Russia and Ukraine. It would embolden those who want to return to the old ways there, the days of central economic control backed by terror and fear. They would say, "America wants the cold war to continue."

Our own self-interest is at stake here, too. A reversion to old ways in Russia would hurt our economy in two ways: It would drive up the cost of defense spending, and it would close off a great potential market for American goods and services. It could be the biggest market of all in our energy sector and for our farmers.

The authorization of appropriations, which I will talk about in a minute, is not the main point of the Freedom Support Act. This bill is a necessary symbol for something much more important—the bipartisan support of the American people for a program of action endorsed by Congress and the President.

This bill, incidentally, is endorsed by the Democratic nominee, or soon-to-be the Democratic nominee for President, Governor Clinton. And Mr. Perot also appears to support help for Russia and the Ukraine, if not this specific bill.

As a leader of the Western industrialized countries, only the United States can mobilize international support for President Yeltsin and the forces of freedom in Russia and the other new republics. Without this national commitment by the American people and by America, I am certain that the Japanese, who are already reluctant to do their share because of territorial disputes with Russia, would abandon the common effort.

This is a chance to demonstrate what unites us during a year when there is much to divide us. The process now underway in Russia and her neighbors is too fragile and too important to our own future for us to postpone this legislation until November. Already the President and Congress have dallied too long. It is past time for us to act on this matter.

Now, Mr. President, let me address the cost of this bill. I choose to call this part of my discussion with Members of the Senate "cost of the bill, the 5-percent solution."

COST OF THE BILL: THE 5-PERCENT SOLUTION

There have been many attempts to account for the cost of aid for the new republics of the Soviet Union. I have heard numbers rank from zero to $36 billion. As someone with experience with budgets and costs, I will attempt to cut through some of this rhetoric about costs.

The Congressional Budget Office has prepared a detailed cost estimate for the Freedom Support Act. It is included in the committee report which is already filed. There is a lot of detail, including the fact that this bill, as reported, could result in direct spending, and Budget Act points of order.

But I understand that these two provisions will be stricken from the bill at the earliest opportunity—and I note the chairman and the Republican manager are nodding in the affirmative.

The relevant costs estimate in the CBO estimate is $620 million.

Might I repeat, because I am certain the American people will not hear this as I describe it. Last weekend, I heard it discussed on three networks, and the lowest figure was $25 billion.

So let me repeat. The relevant cost estimates—not according to the Republican Budget Committee, but the Congressional Budget Office—is $620 million. That is the President's request for aid to Russia, Ukraine, and other republics over a 2-year period, 1992 and 1993.

CBO accepts that as the primary amount authorized to be appropriated by this bill for the former Soviet republics. And I might indicate to Senators who are wondering about it, remember, this is just authorization to be appropriated. We still have to go through an appropriations bill, match up these needs with the other needs under appropriations, and—yes—with the caps that are in the 5-year agreement, I say to my friend from California, for foreign assistance and foreign aid.

This is not breaking any caps, this is acknowledging and living with them.

By far, the major authorization in the Freedom Support Act is basically unrelated to Russia. That is the authorization for the $12 billion appropriations request for the International Monetary Fund. The IMF request has been pending since February 1991, long before the Freedom Support Act was proposed. Had we passed it then, or 6 months after that time, that items would not be in this bill.

I do not think we could have any further proof that the $12 billion is not for the successor republics to the Soviet Union. Had we passed the IMF replenishment, it would be there and it would already be part of the implementation worldwide of America's contribution to the IMF fund.

We always ask why do other countries not help. This is one way that all countries help. There are many countries that contribute. We contribute our proportionate share about 20 percent.

So, the IMF is going to be helping Russia without waiting for this $12 bil-

lion authorization. Could I state that again? If we do not authorize the replenishment of the IMF, the IMF will be helping the successor republics to the Soviet Union, whether we do or not, because it is part of their global program.

Although as much as 5 percent of this $12 billion could eventually be lent to Russia, 95 percent of this fund—if we could trace it carefully—would be used elsewhere. If the IMF money is appropriated, it will not count against the discretionary caps, nor will it result in net budget outlays.

That is because when you put money in the IMF, it is like a revolving fund. We do not expect to lose the money. We expect to broaden the resources available to help us and other countries that are entitled to IMF help that has been going on for years.

Most of what I understand the President to be undertaking in Russia and the other Republics has already been authorized or appropriated. Could I repeat? Most of the programs the President plans to undertake in the former Soviet Union are already available without this legislation. Altogether the effort over there, including the funds authorized by the Freedom Support Act—the one we are considering now; the 1990 farm bill; the 1991 Nunn-Lugar defense supplemental, and so on—would be a total of $2.5 billion over the 1992–93 period.

Might I say again, if we do not pass this bill, most of that is available. The Nunn-Lugar money was appropriated and is waiting to be spent, out of defense funds, for American assistance in dismantling Soviet nuclear weapons—finding out a safe way, helping them with storage and the like. It is included in the parlance of this bill, so we talk about the entire package. But in all respects it is already paid for.

So that $2.5 billion which is the sum total over 2 years that would be going to the Soviet Union, that includes the $620 million authorized in this bill, $470 million of which has not yet been appropriated; the other $1.9 billion has been or will be made available in other legislation.

I cannot say it any clearer. I cannot put it any more forthrightly. When we speak of what we are doing in this bill, we are doing $620 million of brandnew foreign aid. The rest is provided elsewhere. And the total is not $24 billion, not $36 billion—it is $2.5 billion over 2 years, including the $620 million.

I have just provided, attached to these remarks, a detailed series of budget costs of the Freedom Support Act. It is questions and answers, where we break it into three parts and answer questions just as I have discussed them here with the U.S. Senate.

For instance: What is the budgetary cost for the Freedom Support Act for aid to the peoples of the former Soviet Union?

Answer: Approximately $620 million in 1992–93 aid.

This bill provides such sums as are necessary. But the managers will modify it by inserting the precise dollar amounts which become outer limits for the appropriators—$18 million would be authorized for use in diplomatic expenses and $7 million for USIA posts in the former Soviet Union. Some of the $620 million authorized by this bill is already available as shown below, and I describe it in detail.

Then there are two other parts to it, and we answer them with reference to the IMF, as I have just indicated, and with reference to the total budgetary cost, which is $2.5 billion with already authorized and appropriated funds broken out for the 2 years, including the $620 million in this bill.

Let me continue for just a moment. Frankly, as I view this, I am astonished that the President and Congress are planning to spend no more than 5 percent of the global foreign aid in the former Soviet Union. None of this money is coming from domestic spending. And we are protecting 95 percent of the other foreign aid recipients. That is why I call this the 5-percent solution; 5 percent of what we are going to spend on foreign aid, with no change in the outer limits of what we will spend; 5 percent is the American commitment to the successors to the Soviet Union led by Russia.

I opened these remarks by saying I am astonished that we are only allocating 5 percent of this monumental experiment in trying to be like the United States by our former superpower enemy.

DOMESTIC SPENDING NOT AFFECTED

I absolutely agree with the President that no help for Russia and the Ukraine should be taken from domestic accounts. Frankly, let me suggest there will be Senators, I am certain, who will come to the floor and talk about domestic needs. There are some who will say do not do a thing for the Soviet Union because we have problems at home. I do not want to talk about that philosophically, nor do I want to talk about it from the standpoint of what is best for America in the long run. I merely say if we do not do this, none of the money that is going here can be spent for domestic purposes under the 5-year agreement that is in place.

We have not broken that 1990 budget agreement one single time. We even tried to change it to let us spend some defense money—I say to my friend, Senator LUGAR let us spend some on domestic programs that are in need. What did the Senate do? By an overwhelming margin they said if you do not spend it for defense, put it on the deficit; do not spend it for domestic programs; stick to the budget agreement.

What I am getting at is the 5-percent solution could not be spent on domestic programs if we wanted to, unless you can muster up a supermajority here who would break the caps, that is the 5-year caps. And right now we are only in the third year with a firm cap on international spending at something like $20 billion, I think—slightly over it—out of a budget of $1.5 trillion.

If Americans are wondering how prolifigate we are on foreign assistance as leaders in the free world, $20 billion out of a budget of $1.5 trillion seems to me to be just about the minimum amount that a world leader would want to spend on a world that we are so delighted is moving in the direction of freedom and capitalism. But that is the story.

So, none of it will come out of domestic programs, as the President said. It will come from no other allocation but foreign aid. And the amazing fact to me is that we are willing to use only 5 percent of our foreign aid in the former Soviet Union at this time. That is the 5-percent solution.

That is why, it seems to me, that the long delay in bringing this American commitment to the floor borders on being ridiculous.

Why would we not have it here? We will not spend the money anywhere else. It will go to some other foreign country, maybe, if we spend the cap, and we normally come close, within a billion dollars. So we would come very close this year to spending it on foreign aid for our friends around the world, for those troubled spots desperately in need of foreign assistance because of one problem or another. That is point No. 1.

But we are putting 5 percent of that entire amount for aid to the former Soviet Union, which is presently struggling to become republics with democratic forms of government and marketplace-oriented economic principles.

So I close today simply congratulating the committee, congratulating the President, and certainly the majority leader who has now brought the bill before us; let us bring it here. I hope we do not dillydally. But I am sure there will be a number of amendments, and in due course they will be handled. I might even join one myself on nuclear reactor safety in the Soviet Union, which I think is a huge problem that could make this entire relationship and the new republics' movement toward freedom and capitalism go up with a couple of additional Chernobyls.

I think maybe some portion of our resources ought to be joined with those of the free world in a program of safety for those reactors. If I do, I might suggest, however—if I recommend the Nuclear power plant safety amendment to the Senate, it will require no increase in funding. It will evidently come out of defense or foreign assistance within the limits we already have. I will show that amendment to the managers on the floor before I pursue it. But it

seems to me to be a very desperate situation that we ought to attend to, and it is not adequately covered in the bill.

I thank the managers for listening to my remarks. I plan to be here a couple of more times as we move through the bill.

Mr. President, I ask unanimous consent that an attachment that encapsulates by assessment of the costs of this bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BUDGET COSTS OF FREEDOM SUPPORT ACT

Question: What is the budgetary cost of the Freedom Support Act for aid to peoples of the former Soviet Union (FSU)?

Answer: Approximately $620 million in 1992–93 for aid. The bill now authorizes "such sums as are necessary," but the managers will modify the bill by inserting precise dollar amounts. (Also, $18 million would be authorized for US diplomatic expenses and $7 million for USIA posts in the FSU.) Some of the $620 million authorized by this bill is already available, as shown below:

FY 1992—$150 million (OMB estimate of): Available by transfer under the Continuing Resolution.

FY 1993—$470 million: Would be funded in FY 1993 appropriations bills.

Question: What monies are authorized to be appropriated for the International Monetary Fund in this bill? What for? How much is for Russia?

Answer: The bill also authorizes a $12.3 billion appropriations request for the IMF that was submitted to Congress in February 1991. IMF appropriations do not result in net budget outlays or costs.

The $12.3 billion is for a routine, periodic increase in IMF global resources. The IMF may extend loans to Russia without the $12.3 billion US appropriation, but it expects to use $600 million of the $12.3 billion to lend to Russia. No net outlays or budget costs will result.

Question: What is the budgetary cost of the President's overall plan to aid the peoples of the FSU, including this bill and any previous legislation and aid that Congress and the President have approved?

Answer: Approximately $2.5 billion in 1992–93, including credit subsidies for export guarantees. The exact total will depend upon the amount of agricultural credits extended in 1993.

The SBC Republican staff estimate of $2.5 billion includes the following items, most of which were authorized or appropriated separately:

$620 million in the Freedom Support Act; $500 million from DoD provided under the 1991 Nunn-Lugar amendments; $450 million in other DoD, USDA, and AID grants; $390 million for actual FY 1992 USDA credit subsidies; $235 million for estimated FY 1993 USDA credit subsidies related to CCC guarantees; and $260 million in Eximbank and OPIC credit subsidies.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I thank my colleague very much indeed. I thank the ranking Republican Member for his support.

I will add here that democracy is a very fragile quality. We have known it for a couple hundred years. We are in a situation where Russia, the former Soviet Union, has known it for 6 months, and in 1917, and otherwise has never known it.

We could very easily kill that democracy if we do not lend a shoulder to ensuring that the march for democracy on the part of the Russians continues. If we do not pass this legislation, we should well put that march to democracy off the rails.

The PRESIDING OFFICER. The Senator from Indiana [Mr. LUGAR] is recognized.

Mr. LUGAR. Mr. President, I concur in the remarks of the distinguished chairman. While the distinguished Senator from New Mexico is on the floor, I simply want to commend to all Senators the essential arguments which he had made, to which I suspect we will return many times in explanation of this bill.

The Senator is correct that frequently the Freedom Support Act has been characterized as an expenditure bill of $24 billion upward, and the Senator from New Mexico, precise and astute in the budget process, has pinned this down to exactly $620 million of moneys that are already under the cap of the foreign aid provision of the budget accord which the administration and both parties have come to.

This will not be money in addition to that which the accord caps off. And, as a matter of fact, as the distinguished Senator from New Mexico has pointed out, it could not be money that would have been spent on domestic needs or on defense. It is strictly in the foreign assistance category, and if it was not spent, of course, it would revert simply back to the treasuries in decrease of the deficit.

The question that the Senator poses is, given the monumental nature of our relationship now, and the fact that an estimated $5 trillion to $7 trillion has been spent by this country to contain the menace of the Soviet Union for four decades, it is a worthwhile proposition to spend 5 percent of the foreign aid budget on a situation of grave significance to our country and to the world?

I think Senators will come to the conclusion that it is. But I think the Senator from New Mexico has phrased this in a remarkably cogent way that gives us at least something to shoot at, some facts to deal with.

I say, at least on my part, to the distinguished Senator from New Mexico: Sure, we want to quantify specifically the numbers. That was a question raised. This is $620 million, and it is specified in precisely the terms that the Senator enumerated in his remarkable exposition.

I thank the Senator. I thank the distinguished Senators from California and from New York and from Kentucky for the remarkable statements they have made at the outset of this debate, and for the strong bipartisan leadership that is evident on the floor.

FOREIGN AID FOR THE FORMER SOVIET UNION

Mr. PRESSLER. The Senate is now considering S. 2532, to authorize additional foreign aid to the new States of the former Soviet Union. As a member of the Senate's official escort committee for President Yeltsin's recent speech to Congress, I was impressed by his obvious abilities. I believe he wants to make Russia a democratic country for the first time in 1,000 years.

Mr. President, I want Russia to succeed. I also want democracy to come to Belarus, Ukraine, Moldova, Georgia, Azerbaijan, Armenia, Turkmenistan, Tajikistan, Kyrgyzystan, Kazakhstan, and Uzbekistan. I believe strongly that the American people would also like these 12 countries to succeed and be free and prosperous.

However, the historic record on U.S. foreign aid provided since World War II is clear: except for emergency humanitarian assistance, most foreign assistance either has been wasted or has actually delayed economic growth.

Americans have a right to ask the Senate whether any United States foreign aid provided to the 12 countries of the former Soviet Union—except for emergency food—has done any good or whether any of the new loans and assistance authorized by S. 2532 will make a positive difference.

Mr. President, the honest answer is that we do not know. Senators do know the pathetic record of foreign aid failures. Worse yet, a good portion of the emergency assistance the United States has provided has been absorbed by former Communists for their own profit—by the so-called Mafia—or donated goods have been sold on the streets.

All in all, I am compelled to observe that most of the programs authorized in S. 2532 could be wasted. In addition, there is no reason to believe that generous loans to the 12 governments of the former Soviet Union will produce positive changes—except possibly in the balances of some Swiss bank accounts or on the balance sheets of German and other creditors who lent money to these countries earlier.

Mr. President, I must also observe that every dime authorized in this legislation that eventually is appropriated will have to be borrowed by the American people. No effort has been undertaken to reduce other foreign aid programs to shift priorities to the former Soviet Union. Is this legislation fiscally responsible? I think all Senators know how their constituents would answer that question.

For these and other reasons, I believe the Senate should be very careful as it begins consideration of S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act.

As ranking member of the Foreign Relations Committee's Subcommittee on European Affairs, I know that the people of the former U.S.S.R. have suffered for generations under the burdens of socialism and communism. Neither in Russia nor in most other parts of what was the Soviet Union is there any history of independent initiative, property ownership, profit, or political freedom.

Mr. President, it is probable that many of the political and social arrangements in the new states of the former Soviet Union will change many times over the course of the next few years. What seems to be reality today can change in an instant. This already has been demonstrated in the fact that the Commonwealth of Independent States seems to have collapsed in a matter of months.

In S. 2532, more than $15 billion is authorized for increased U.S. contributions to international financial institutions. This $15 billion could make a dent in our bloated national debt. Already it is clear that the appetite for foreign lending will be much greater than the amount provided in the legislation before the Senate today. Where will this money go?

Mr. President, S. 2532 liberates the executive branch—especially the State Department—from normal congressional restrictions and consultations. I am not sure this is a responsible course. This new blank check approach means the executive branch can, if it chooses, bypass Congress on most decisions.

I am also concerned that the bill, as reported, undermines the role of the Foreign Relations Committee in its capacity to authorize funds. At the moment, the only predictable, effective two-way dialog will occur between the executive branch and Appropriations Committees. Mr. President, the Foreign Relations Committee held only one routine hearing on this legislation before it was marked up and reported. That was with Secretary of State Baker.

Mr. President, at the conclusion of markup, I voted against reporting S. 2532, along with Senators DODD, HELMS, and BROWN. I believe that was the most responsible course of action on May 13. It remains to be seen whether this legislation can be repaired enough by the Senate and in conference to make it worth the gamble.

I believe a substantially improved bill can be constructed on the Senate floor. For this to happen, Senators should have sufficient time to consider a number of substantive and policy amendments.

Mr. President, Congress and the administration also should guard against thinking of S. 2532 as a Russian aid bill. Doing so risks putting Congress on record as giving the Government of the Russian Federation primacy over the states of the former Soviet Union.

By the same token, we should avoid the same cult of personality regarding President Yeltsin that was bestowed on Mikhail Gorbachev, Leonid Brezhnev, and—in their times, Stalin and Lenin. If Russia is to have any hope of developing free political and economic institutions, the notion of strongman leadership must be abandoned. Yet; the same frenzied effort has been devoted to preserving Yeltsin as to preserving Gorbachev.

Yeltsin's Communist opponents, who yearn for a return to a Russian empire with Soviet trappings, are real. I wish President Yeltsin many years of life and political leadership on the road to democracy and prosperity. But we do Russia a great disservice to tie its future to one man.

During markup of S. 2532, the committee adopted my amendment to highlight the vital role of U.S. small- and medium-sized businesses in our technical assistance programs in the former Soviet Union. The best United States contribution to the former Soviet empire encourages active involvement of the United States private sector. In this country, most jobs are created in small- and medium-sized businesses. It could be that the only way the United States can promote economic growth is by encouraging direct involvement of smaller concerns. The U.S. private sector can provide both the products and the know-how.

My amendment was designed to encourage United States technical assistance to help Russians and others help themselves by using United States exports—products, services, and know-how—to develop these new markets. Its purpose is to overcome several specific problems smaller companies face when attempting to enter new markets.

Mr. President, several conditions ought to be imposed on assistance to the ex-Soviet Republics that are not yet contained in S. 2532. I referred to S. 2532 as a gamble as well as a symbol. Matters could take a turn for the worse in the former Soviet Union at any time—massively and quickly. Powerful armed forces of the former Soviet Union are still drafting soldiers. Huge numbers of ex-Soviet troops continue to be garrisoned and maintain bases where they are not wanted.

The gigantic Soviet military-industrial complex continues to produce weapons of destruction—including in bases in now-independent States such as Latvia, Lithuania, and Estonia. Ninety-one percent of Lithuanians have endorsed getting the Russian troops out. Thirty-two Senators joined me in writing President Bush, asking that he raise this vital subject when he met with President Yeltsin. The greatest single threat to democratic development in the former Soviet Union, and therefore the greatest threat to President Boris Yeltsin, is the ex-Soviet conventional military establishment.

I am gratified that a number of Senators are joining my effort with the Senator from Arizona, DENNIS DECONCINI, to condition assistance provided in this bill on the negotiation and implementation of a reasonable timetable for withdrawal of Russian military forces from the Baltic States. The specious defense that Russian troops should remain on Baltic soils to defend ethnic Russians needs to be strongly opposed. After all, this is the same excuse used in the former Yugoslavia for Serbian aggression. This argument is also being used by the Communist government of Transdniestria in Moldova.

In addition, the entire ex-Soviet military machine is a potentially grave problem. Consider the chilling comments of Yegor Gaidar, President Yeltsin's chief deputy, in the Economist of April 25, 1992. He said:

> We also have some branches [of the economy] that can be very profitable. Fortunately, some of these are to be found in our military-industrial complex. We face a problem there, because of drastic cuts in arms purchases. But we have also opened up new market opportunities, not just for arms supplies but for high-tech goods in general.

If economic development in the Russian Republic is to be built on the sale of weapons, S. 2532 is worse than a gamble.

Mr. President, on another topic, I note with satisfaction that there is a good deal of report language inspired by my efforts and those of other Senators to make safe or shut down outmoded nuclear reactors built around the world by the former Soviet Union. They are a deadly threat to people and the environment. Reactor safety concerns in this country pale in significance when considered against those with Soviet-designed reactors.

On July 24, 1991, the Senate adopted my amendment to condition assistance to the then Soviet Union on radical structural change, including a commitment by the Soviet leadership to begin the rehabilitation of unsafe nuclear reactors. It also required the termination of technology exports that could assist in the production of any WERS nuclear reactor, including the one in Cienfuegos, Cuba.

The concerns that prompted my amendment are even more timely today. I support the President's proposal to promote investments by United States companies in the energy field in the former Soviet Union. There are unique opportunities for the United States business community to play a significant role in the modernization of the energy sector of the former Soviet Union and Eastern Europe.

Currently, the United States is hindered from exporting nuclear technology by section 510 of the Foreign Operations Appropriations Act. This includes feasibility studies and safety surveys that can provide information U.S. companies need if they are to export nuclear equipment or safe tech-

nology to these countries. Congress should delete this counterproductive prohibition as soon as possible

Mr. President, I do take issue with some report language that takes a stand against nuclear power generation. New governments cannot afford to close down the reactors which supply most of their energy. In Eastern Europe and the Baltic States, the only alternatives are oil or coal, bought at world market prices they cannot afford. These carry their own associated high costs and environmental risks.

I mentioned earlier the fallacy of considering S. 2532 a Russian aid bill and giving the Russian Federation a central role to the exclusion of other countries. Socialism and communism have made the ruble a worthless currency. Trade experts believe the West must assist the Russian Government in its efforts to make the ruble convertible.

I am concerned that the administration inadvertently may be overlooking concerns of other countries of the former Soviet empire on this score. For example, many countries—notably Ukraine and the Baltic states—have no intention of relying on the ruble. In fact, last week, Estonia introduced its own currency—the kroon. Assistance authorized for ruble stabilization and convertibly must also be made available to states which want to create convertible currencies not based on the ruble. I have been consulting with appropriate officials to prepare an amendment that deals with this oversight.

I also am convinced that the Russian Government must agree to article IV, section 1, subsection iii of the IMF Articles of Agreement and not interfere in the economies of its smaller neighbors. There must be an enforceable standard that there will be no beggar thy neighbor approaches or discriminatory trade policies under the aegis of the IMF. In other worlds, Russia must not blackmail countries with the nondelivery of goods, such as energy, that have been paid for or otherwise promised. In addition, Russia must agree that it will not manipulate neighboring economies—including through exchange rate policy—for unfair trade advantage in the independent states by virtue of its control over monetary policy.

Due to the interrelated nature of the former Soviet Union, the 14 other nations emerging from the rubble of the former Soviet Union are tied to Moscow. They are trying to continue trade relations on the basis of the free market yet they are trying to gain control of their own fiscal and monetary policies, including the establishment of a commercial banking system and a central bank. In other words, they are trying to follow the recommendations of the IMF. For Russia, this part was easy. Russia inherited the central Gosbank and the Vneshekonombank from the defunct Soviet Union.

The amendment I plan to offer on the floor will put the United States Government on record that it will take into account the results of a ruble stabilization fund on neighboring economies and will, with the agreement of Russia and its neighboring states, emphasize the importance of coming to an agreement regarding the period of transition among their interrelated economies.

This could include separate funds for their currencies, as is most likely in the case of Ukraine, or in loans to stabilize the currencies of the Baltic States. These governments do not want to be blackmailed into adopting the Russian ruble. Several plan to introduce separate currencies this fall—perhaps several months after the IMF-stated goal for stabilizing the ruble.

Stabilizing of the Russian ruble may be much further down the road than the IMF imagines. For example, the Russian Government has backtracked on IMF guidelines. Yet, unfortunately, the IMF is ready to continue the Russian salvation package and has already issued $1 billion as an advance without the necessary Russian policy reform.

Finally, Mr. President, I long have been concerned over the issue of nuclear weapons proliferation. I stand behind the importance of a missile control regime and also multilateral efforts to prohibit the export of nuclear materials and technologies. For this reason, I am pleased that the committee markup makes agreement to previous arms control agreements signed by the former Soviet Union and to the Nuclear Nonproliferation Treaty conditions of assistance to Russia and the other states with nuclear weapons on their territory.

All in all, S. 2532 can become a more helpful, practical piece of legislation with the efforts of Senators during floor consideration and in conference. I look forward to a full, free discussion as this legislation in considered.

AID TO THE FORMER SOVIET UNION

Mrs. KASSEBAUM. Mr. President, the attention of this Nation and, consequently, the attention of most of this body, has been focused, and rightly so, on domestic problems this year. The end of the cold war has sharply diminished our concern about the looming threats to our survival. With it has gone any strong sense of consensus or concern about the world beyond our borders and why it is in our own best interest to stay engaged.

Unfortunately, I believe we are not seeing what is clearly before us—an opportunity for a more stable world, and perhaps most importantly, an opportunity for a more prosperous world. This opportunity will not flourish without the clear help and direction of the already democratic, industrialized nations.

We must not forget that we won the cold war by assembling an international alliance that worked toward the common goal of containing communism in order to defend our common interests in democracy and market economies. If we are now to win the peace, we must draw together an international alliance to work toward the common goal of expanding global economic growth in order to promote our common interests in building stable, healthy, prosperous societies.

This is what President Bush is trying to achieve with this package and with the combined commitments of the G–7 to support bilateral and multilateral aid for the new states of the former Soviet Union.

Obviously, there are a lot of problems in moving in this direction. One is that the very idea of foreign aid is viewed with great skepticism. But what we must not forget is that every expansion of the world economy leads, one way or another, to an expansion of the American economy.

Helping other nations, particularly helping other nations in their effort to establish free market economies, is not only the right thing to do it is the smart thing to do. All politics is local but, in the 1990's, all economics are global. That means that each of us now is tied to the world economy. We can neither help nor hurt others without helping or hurting ourselves.

In assessing the value of any effort to help the former Soviet Union, we must also remember that we invested heavily in containing communism. In looking toward the future, I believe we face extreme danger if we assume Russia will peacefully starve. Russia has a long and dark tradition of trading freedom for bread. We must not test that tradition.

Instead, we must recognize that it is in our interest to make sure that the reforms now taking place are irreversible. In the long run, this is the least costly route. President Boris Yeltsin, in his recent visit, told us he would not cry uncle until the reforms were solidly in place. He made his commitment and asked for our help.

This package, which is an authorization bill, is the first important step in providing that help. It is not just a bilateral effort. All of the industrialized Western economies have pledged similar support. The aid is also directly linked to economic reform because we and the other industrialized nations have agreed to centralize the role of the International Monetary Fund in constructing a reform program for the new republics.

Our aid will not be provided if reforms are not in place. The cornerstone of the package is the authorization for the IMF quota increase and our support for the U.S. participation in the establishment of a stabilization fund for the ruble. Both these efforts require

reform before any money can be expended. It is also important to point out that, in fact, the IMF quota increase is budget neutral, since we set up a liquid, interest bearing account with our contribution. Money for the stabilization fund will come from funds already allocated in the IMF.

Our bilateral technical assistance, provided for in this package, also aims to build on our experience in Eastern Europe by focusing on those efforts that have already proven successful in helping the transition to democratic institutions and free market economies. We are not establishing new bureaucracies and administrative structures, but working through existing programs, such as the Peace Corps, the National Endowment for Democracy, and the Citizens Democracy Corps, and reshaping them to meet the needs in the former Soviet Union.

As Russian President Yeltsin is so keenly aware, the key to success in the former Soviet Union is not foreign aid dollars but support for economic restructuring, investment, and trade. The private sector is, consequently, key to this transformation. In this regard, I believe organizations, such as the Citizens Democracy Corps, deserve special notice. CDC is an innovative program which is receiving funding from both the U.S. Government and the private sector. Its purpose is to mobilize the efforts of the United States private sector to assist the nations of Eastern Europe and the former Soviet Union in their efforts to build free market economies and democratic institutions.

In Eastern Europe, for example, under the aegis of the CDC, the Upjohn Co. has launched a pharmaceutical project helping to restructure the pharmaceutical industry in Bulgaria. Union Pacific has provided one of its top executives pro bono to Poland to help reorganize the railroad to help it become for-profit. Union Pacific plans to provide similar aid to Russia. RJR Nabisco is focusing its technical assistance on a large food processing cooperative in southeast Poland.

The Citizens Democracy Corps has complemented its corporate program with two other very important initiatives. The first is the Business Entrepreneur Program which matches United States entrepreneurs who have experience building and operating small and medium companies with enterprises in Eastern Europe and the former Soviet Union. CDC also runs the Volunteer Registry which is a central clearinghouse for individuals looking for volunteer opportunities in these countries.

It is programs like these, which are very different from our traditional form of aid both in funding and direction, which I believe can and will make a difference in these countries' efforts to transform their economic and government structures.

We are clearly in this bill, not providing aid for aid's sake. The aid has a direct purpose, it has the support of the international community, and it clearly seeks to link reform to aid in order to assure that we are setting these countries on the path to self-sufficiency, not to further dependency. I urge my colleagues to join in support of this very important piece of legislation.

Mr. DOMENICI. Mr. President, I wonder if we are waiting for another Senator to speak on this bill. If we are, I wonder if I could make a couple remarks on another matter, or if we could have a morning business consent agreement at some point.

MORNING BUSINESS

Mr. PELL. Mr. President, there being no other Senators seeking to speak on this subject, I now ask unanimous consent there be a period for morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized for up to 10 minutes.

WHY NUCLEAR WEAPONS TESTING?

Mr. DOMENICI. Mr. President, on June 26, a few short days ago, I sent a letter to my colleagues in the Senate in which I said to them: If you have not committed on the issue of whether we should have a moratorium on U.S. nuclear weapons testing, I urge that you wait so that we will have an opportunity to present to you the facts regarding what a moratorium might do to harm the safety and dependability of our nuclear arsenal.

And if you have made up your mind, I urge that you open your mind to the thought and the concept that we need nuclear weapons testing. It might very well have to be tailored downward, both in number and in size. Nuclear weapons testing is not needed to develop new weapons; but it is needed to perfect the weapons we have as far as their safety and their reliability are concerned.

This is not Senator Domenici mouthing the jargon of the Department of Defense. Obviously, I tend to listen to the Department of Defense. I think that is why we have them. I do not assume that because they are the Department of Defense, they are wrong on matters such as this.

But I have reached this conclusion from reading material presented by those who are familiar with nuclear testing and our nuclear arsenal, and in particular, those who are familiar with the safety risks attendant with our current inventory of nuclear weapons.

I have also read the report of the Drell panel. That was a panel in 1990 on nuclear weapons safety, chaired by Sidney Drell. They made it quite clear—and this was part of their mission—that when it comes to the safety of nuclear weapons—one must understand that we frequently have 35-year-old nuclear weapons, Mr. President. We are now contemplating, even in the diminished status, 50-year-old nuclear weapons. Do we want them to be as safe as our great scientists say they can be? Or do we want to say we have won the cold war; we are building down dramatically, but we do not care about safety when we are talking about nuclear weapons?

So I urge my colleagues to seriously consider an alternative or another solution other than the absolute moratorium. I am certain that the White House, Defense Department, the Energy Department, and others will be presenting some serious recommendations in this regard, because the scientists are clear that you begin to take real risk in safety and dependability without certain nuclear testing. Mr. President, the cadre of scientists, engineers, the best in the world, who do the work on these nuclear weapons, who reside in the bowels of the national laboratories that do this kind of evaluation have made their position very clear. We are being told that if you do no testing, that you take not only a risk with the weapons, both as to safety and reliability, both of which I think would be important, you also put at risk the retention of the scientists and engineers who made this possible and who keep it safe and reliable, for they know, Mr. President, that they are being asked to attest to safety and attest to reliability when less than the best evidence is being made available to them. They will not stay around. In fact, I have been told if you do this for a while, you will lose the very best, for they do not want to be in the national laboratories as signators either in person or by implication to safety and dependability of the most difficult of all weapons when they are being denied what they know is the right kind of science evidence to do their predicting and to do their safety and reliability recommendations.

It is that simple, and we ought to listen to them. If we really do not want to buy what Secretary Cheney says or the Chairman of the Joint Chiefs, then get the scientists, get the lab directors from Livermore, from Los Alamos and let them bring the great scientists in a closed session and ask them if they need testing to be able to attest to safety and reliability or is this just some kind of hoax that they want to perpetuate because they like to do nuclear testing.

I believe we would get some answers. We owe this situation nothing less than that. Do we want real safety and reliability and an assertion to it by the best scientists we have, or do we want

to say we do not need the best; we can just say we will get what we can get?

But this moratorium idea is more important than anything. Why is it more important? We are building the stockpile down. We already have a handle on it. We are not building any new and more powerful and sophisticated weapons. We have already stated that. The world knows that. So if you are worried that the tests are going to result in the United States building more weapons, we have already said we are not doing that.

But what else are we going to do? We ought to ask. We ought to listen attentatively. This situation demands no less, it seems to me.

Now, Mr. President, I ask unanimous consent to have printed in the RECORD a letter that I have sent to my fellow colleagues, dated June 26. This particular one is directed to my fellow Senator from New Mexico, not that he necessarily needed one, but I sent it to each Senator, and I thought my friend from New Mexico should get one, also. It merely states in brevity what I have just said.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC., June 26, 1992.

Senator JEFF BINGAMAN,
U.S. Senate, Washington, DC.

DEAR JEFF: I write to you today in opposition to a proposed moratorium on U.S. nuclear weapons testing. If you have not committed, I urge that you wait and let some of us share information with you. If you have committed, I hope you will look at testing that will give us requisite safety and reliability information, because these are imperative—even with fewer nuclear weapons.

The Drell Panel (a 1990 panel on nuclear weapons safety, chaired by Sidney D. Drell) was quite clear in its conclusions and recommendations. To paraphrase the report, we need to make sure that our enduring stockpile of nuclear weapons—those 3500 that will remain in the stockpile under the recent Bush—Yeltsin agreement—is "as safe as is practically achievable." Testing is necessary to assure that safety. Testing is also necessary to assure the reliability of our nuclear weapons.

Nuclear weapons successfully maintained the peace between the former Soviet Union and the United States because both sides knew their arsenal of nuclear weapons would work. Of the nuclear weapons designs fielded since 1958, one out of three has required nuclear testing to resolve problems arising after deployment. Testing ensures the reliability of nuclear weapons. A lack of testing provides no assurances.

Because the world has changed, I do believe we need to re-think our nuclear weapons testing program. I believe there is certainly room for reductions and other modifications to our past testing programs. However, to blindly adopt a testing moratorium—without full consideration of all its ramifications—would be imprudent.

Thank you.

Sincerely,

PETE V. DOMENICI.

Mr. DOMENICI. I might add one thought. Perhaps some serious thinking ought to be given on this nuclear moratorium issue to the whole concept of what brings us to this and what should we be thinking about. There is one recommendation by a rather stalwart scientist that perhaps the time has come for a very high-powered blue ribbon commission to look, not only at the issue of moratoriums, but at the issue of, in the builddown phase, what are the recommendations about making sure we are doing things right, what are the recommendations in terms of safety and reliability during that period, what should we be doing. What about some recommendations on the basic science and engineering capability that we have to have in order to be able to do that? Maybe the time has come for that kind of proposal. I do not make it today. But I say if it would help those who are confused or who wonder what do we do next, perhaps this idea built into a schedule that is more attendant to our times in terms of the size of the testing and the nature of the testing, the numbers, along with a commission to study it and recommend to us so we do not make foolish mistakes in a hurry as we build down and in the euphoria of the builddown. In that regard, I merely remember that somebody told me General Eisenhower, who has been given so much attribution for statements about the defense industrial complex on another issue once said, "Don't make mistakes in a hurry."

That is a very interesting, simple concept and, perhaps—perhaps—that applies more than ever to what we do in terms of the care and treatment of the nuclear stockpile as we build it down.

UPWARD MOBILITY IS ALIVE AND WELL

Mr. DOMENICI. Now, Mr. President, I have some remarks regarding the upward mobility of the American people, and I couch my remarks in a speech that is styled by me, "Upward Mobility Is Alive and Well, New Information for the Debate on Income Distribution."

Frankly, I have really been absolutely amazed at how much evidence has been given to the American people on the subject of the distribution of wealth in the United States. Most of this distribution of information has been of a partisan nature, I regret, and its basic building blocks have come from the Ways and Means Committee of the House in a seminal book that they call a greenbook or the bluebook where they attempt to put all these statistical things in place.

Needless to say, they pick and choose. They are pretty good at it. Nobody did a very good job of rebutting them, so their history seems to have become the reality.

Well, I did not think I would ever be able to refute the reality because I am supposedly partisan on the subject. But let me suggest that the Urban Institute is not partisan on the issue, and the Urban Institute is not conservative, and the Urban Institute has some economists who like to tell the truth. And in this case Isabel Sawhill and Mark Condon wrote a report, and they called it, "Is U.S. Income Inequality Really Growing? Sorting Out the Fairness Issue."

Now, Mr. President, you know and I know that what I am going to say here tonight that they said and what I say in my remarks is not going to be reported, but let me submit that in due course we are going to see that these kinds of objective findings are submitted to the American people. Let me just read one paragraph in this report, "Is U.S. Income Inequality Really Growing?"

"Policy bites," The Urban Institute.

"The poor grew much richer, by 72 to 77 percent."

"The rich * * * grew a little richer, by 5 to 6 percent."

These figures say the institute will not surprise the experts. Continuing to quote:

This pattern, however, may be surprising to the general public, which has been led to believe that the poor were literally getting poorer over the last decade or two, and that the incomes of the rich were skyrocketing. This is simply not true.

I have analyzed it in more detail and am very complimentary of the way they did this.

I ask unanimous consent that the Policy Bites issue which I have alluded to, a four-page document, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Policy Bites, June 1992]

IS U.S. INCOME INEQUALITY REALLY GROWING

(By Isabel V. Sawhill and Mark Condon)

It is widely believed that U.S. incomes have become more unequal since the early 1970s. This conclusion is based on studies by the Ways and Means Committee, the Congressional Budget Office, a variety of think tanks, and countless academics. Each has used Census data on incomes to measure how different income groups have fared over the past decade or two.

Liberal politicians cite these studies as evidence that American society is becoming more stratified, that the rich are getting richer and the poor poorer. Conservatives respond that these analyses are flawed—arguing that they fail to recognize the tremendous individual mobility hidden within the averages.

This debate on what has been happening to the distribution of income is not new. At issue is not just the facts but how to interpret the facts. Here we seek to clarify the debate by looking at data on a sample of individuals whose incomes were tracked between 1967 and 1986. Based on our analysis to date, the story is as follows:

1. If we rank all the jobs or other income-producing opportunities in society from highest to lowest, we find a growing gap between the top and the bottom. The rewards

for success or good fortune have gotten larger and the penalties for failure or bad luck have grown correspondingly.

2. When society's reward structure is highly unequal it puts a big premium on individual income mobility. As long as there is a lot of mobility, an unequal reward structure is not necessarily a problem. If there is little mobility, then it is. Individual mobility in the United States falls somewhere between "a lot" and "a little." Many people do move from one income stratum to another. When one follows individuals rather than statistical groups defined by income, one finds that, on average, the rich got a little richer and the poor got much richer over both the decades for which we have data.

3. Lifetime incomes may still be getting more unequal, however. If the reward structure is getting more unequal, lifetime incomes are going to be more unequal unless growing wage inequality is offset by more mobility between jobs or other income-earning opportunities. We find no evidence that individual mobility increased between the 1970s and the 1980s.

THINKING ABOUT FAIRNESS

Joseph Schumpeter, a famous economic historian, once likened the distribution of income to rooms in a hotel—always full but of different people. In a hotel in which all the rooms are alike it doesn't matter which one you occupy. But in most hotels, as in most societies, some rooms are exceedingly luxurious, others are quite shabby, and which room you end up in matters a lot. Fairness requires that you have an opportunity to change rooms. For example, if you started our occupying a shabby room when you were young but graduated to increasingly more luxurious rooms as you got older, this could be considered perfectly fair. Or if everyone took turns spending a few nights in the room with the bedbugs and the lousy mattress, no one would complain. Over a sufficiently long period of time (say, a lifetime) everyone's experience would be the same. But, if the best rooms were always reserved for the privileged few and the shabby ones for the unfortunate many, some might question the fairness of the arrangements. What about the hotel we call the U.S. economy?

HOW INEQUALITY IS USUALLY MEASURED

To measure inequality, the U.S. Census Bureau each year looks at the hotel registry to see how many people are occupying each type of room. It ranks all families by their annual incomes from highest to lowest and sorts them into statistical groups. The 20 percent of all families with the lowest incomes are called the bottom quintile, the next 20 percent of families are called the second quintile, and so on . . . until all families are sorted into one of five quintiles. Later this year, the Census will re-rank all these families (as well as any new ones) according to their 1991 incomes. To test whether economic inequality has risen, the average income of each quintile in 1990 will be compared to the average income of that same quintile in 1991, even though each quintile may now contain a different set of individuals. These are the kinds of calculations that have been used to conclude that "the rich are getting richer and the poor poorer" over the last decade or two.

We need other data to track the process of who is changing rooms or quintiles. The University of Michigan's Panel Study of Income Dynamics (PSID) has followed a representative group of households since 1967. From this survey, we have selected all individuals, ages 25 to 54, in two years, 1967 and 1977, and then calculated what happened to their incomes over the subsequent decade (1967–76 and 1977–86, respectively).

THE HOTEL NOW HAS A GREATER VARIETY OF ROOMS

If, following the standard method of measuring inequality, we rank all these PSID individuals into income quintiles in each year and then calculate the percentage increase in average income for each quintile, we get a similar pattern to what one sees in Census data. Like the Census data, the PSID data suggest that after growing between 1967 and 1976, the average income of the bottom quintile declined between 1977 and 1986. In both periods, the average income of the top quintile grew rapidly.

What has caused this growth in income inequality as conventionally measured? Most analyses have shown that the main cause is the growing inequality of earnings. Although the tax system is a little less progressive than it was in the past and the safety net somewhat frayed, these changes have not been as important as the increasing gap between the wages of higher-paid and lower-paid workers.

Put simply, the economy now offers people jobs that vary more widely in terms of quality and pay. The economy increasingly resembles a hotel with luxury suites for some and substandard rooms for others, rather than a roadside motel with rooms of uniform quality. The less equal distribution of earnings, in turn, appears to be related to technological changes and international competition, which have put a high premium on education and experience. The rewards for both have been increasing since the late 1970s. Unless income mobility has increased in ways that offset these structural changes in the economy, lifetime earnings may becomes increasingly unequal.

PEOPLE SWAP ROOMS OFTEN

Individual mobility in the United States is substantial (Table 1). The white cells in the table show the proportions who did not change quintiles. For example, the number in the top left hand cell of the table represents the proportion (11.2/20 or 56 percent) of individuals in the bottom quintile in 1967 who were still in that quintile in 1976.

In both decades, some three out of five adults changed income quintiles. A little less than half the members of the bottom quintile moved up into a higher quintile, and about half the members of the top quintile fell out of that quintile. In both periods, more than two-thirds of those who started out in the middle quintile had moved up or down into a different quintile by the end of the period.

If mobility between income classes is a glass that is half full, it is also half empty. A little more than half the occupants of the bottom quintile had not risen out of that quintile ten years later, and half of the occupants of the top quintile remained there ten years later.

Nonetheless, the mobility that did occur ensured that over both decades, on average, the poor (here defined as those in the bottom quintile at the beginning of each decade) grew much richer, by 72–77 percent. The rich (defined as those in the top quintile at the beginning of the decade) grew a little richer, by 5–6 percent. (See Table 2).

These figures will not surprise the experts. Any significant mobility should lead to the same pattern. People who start at the bottom have nowhere to move but up, and are likely to do so as they become older, gain work seniority, and earn higher incomes. People who start at the top, some of whom may be there because of temporary sources of income like capital gains, have nowhere to go but down. This pattern, however, may be surprising to the general public, which has been led to believe that the poor were literally getting poorer over the last decade or two, and that the incomes of the rich were skyrocketing. This is simply not true.

PEOPLE DO NOT SWAP ROOMS MORE OFTEN THAN IN THE PAST

While mobility was substantial in both periods, U.S. mobility has not been increasing over time (see Table 1 again). In fact, there is little discernible trend in mobility at all. The slight changes between decades are too small to be meaningful, and depend to some extent on the age limitations of our sample.

The absence of any upward trend in income mobility suggests to us that lifetime incomes are becoming more unequal. The reasoning is straightforward. The bad jobs in our economy are now paying less in real terms than they did in the early 1970s and the people who hold them aren't moving out of them with any more frequency than before. We can expect their lifetime incomes to be lower than those of people who held these jobs in the past.

The good jobs in our economy are now paying a lot more than they used to and the people who hold them don't appear to be moving out of them with any more frequency than before. Their lifetime incomes will be a lot higher than the lifetime incomes of their earlier counterparts. The result, then, of higher pay at the top and lower pay at the bottom is greater lifetime income inequality.

To partially test this hypothesis, we averaged the total income of each individual in our sample over two ten-year periods, 1967–76 and 1977–86, and then ranked all individuals into five quintiles in both periods (Table 3). By averaging income over a ten-year period, we take account of each person's mobility over that period and get a more permanent measure of income. Looked at over a 10-year period, the average person had a family income of $46,260 in the first decade and $52,125 in the second decade. In the second period, however, there was greater inequality. This finding suggests that lifetime incomes are becoming more unequal. So, while the annual income distributions may mislead the public about how much mobility occurs, they do accurately reflect an increase in inequality in the U.S.

A ROOM OF ONE'S OWN IS NOT NECESSARILY A ROOM WITH A VIEW

While many individuals swap rooms over time, the degree of mobility in the U.S. economy is not sufficient to ensure everyone a room with a view. Although the poor can "make it" in America, and the wealthy can plummet from their perches, these events are neither very common nor more likely to occur today than in the 1970s.

Indeed, since the rooms at the top have an increasingly nice view, while the ones at the bottom have deteriorated, some will conclude that the hotel we call the U.S. economy has become a more class-stratified place to live. Others will argue that the lure of a better view is what induces people to try to change rooms in the first place.

TABLE 1.—DISTRIBUTION OF INDIVIDUALS IN FINAL YEAR BY QUINTILE LOCATION IN STARTING YEAR

Family income quintile in 1967	Family income quintile in 1976					
	Bottom	Second	Third	Fourth	Top	All
Bottom	11.2	5.2	2.0	1.3	0.3	20.0

TABLE 1.—DISTRIBUTION OF INDIVIDUALS IN FINAL YEAR BY QUINTILE LOCATION IN STARTING YEAR—Continued

Family income quintile in 1967	Family income quintile in 1976					
	Bottom	Second	Third	Fourth	Top	All
Second	4.1	6.0	5.0	3.0	1.7	19.8
Third	2.5	4.2	6.0	4.9	2.4	20.1
Fourth	1.3	2.9	4.7	5.9	5.2	20.0
Top	0.9	1.8	2.1	4.8	10.4	20.0
All	20.0	20.0	19.9	20.0	20.0	100.0

Family income quintile in 1977	Family income quintile in 1986					
	Bottom	Second	Third	Fourth	Top	All
Bottom	10.6	5.0	2.2	1.3	0.8	20.0
Second	4.3	6.0	5.1	2.9	1.7	20.1
Third	2.9	3.8	5.9	4.8	2.6	20.0
Fourth	1.0	2.9	4.3	6.8	5.0	20.0
Top	1.2	2.2	2.5	4.1	10.0	20.0
All	20.0	20.0	20.0	20.0	20.0	100.0

Note.—Sample limited to adults, ages 25 to 54 in starting year.
Source: Urban Institute.

TABLE 2.—AVERAGE FAMILY INCOMES OF INDIVIDUALS BY THEIR QUINTILE POSITION IN STARTING YEAR (1991 DOLLARS.)

Quintile	Average family income of:		Percent change
	1967 quantile members in 1967	1967 quintile members in 1976	
Bottom	$14,544	25,082	72
Second	26,979	41,018	52
Third	35,900	48,492	35
Fourth	46,115	57,839	25
Top	72,772	76,915	6
All	39,262	49,869	27

Quintile	Average family income of:		Percent change
	1977 quantile members in 1977	1977 quintile members in 1986	
Bottom	$15,853	27,998	77
Second	31,340	43,041	37
Third	43,297	51,796	20
Fourth	57,486	63,314	10
Top	92,531	97,140	5
All	48,101	56,658	18

Note.—Sample eliminated to adults, ages 25 to 54 in starting year.
Source: Urban Institute.

TABLE 3.—REAL FAMILY INCOMES OF INDIVIDUALS AVERAGE OVER 10 YEARS (1991 DOLLARS.)

Quintile	Average annual family income.		Percent change
	1967–76	1977–86	
Bottom	$18,293	18,579	2
Second	32,785	34,064	4
Third	42,636	46,062	8
Fourth	54,100	60,594	12
Top	83,486	101,286	21
All	46,260	52,125	13

Note.—Sample eliminated to adults, ages 25 to 54 in starting year.
Source: Urban Institute.

Whether the notion of class is half full or half empty depends on your perspective.

Mr. DOMENICI. Mr. President, Arthur Hays Sulzberger, the renowned former publisher of the New York Times, once noted that "a man's judgment cannot be better than the information on which he has based it."

It is with this thought in mind that I address you here today.

We have been hearing for some time now that over the course of the past two decades—and especially during the 1980's—the rich in America have grown richer, while the poor in America have grown poorer. This argument has been propounded and sustained by what the Wall Street Journal has termed "tortured statistics." And that is pretty much what they are.

Traditional studies have divided the American population, based on annual family income, into one of five quintiles. The average income of each quintile has been tracked from year to year, from decade to decade, and compared with the average incomes of the other four quintiles.

When the difference between the top and bottom quintiles grows, we are told with false certainty that the rich are getting richer and the poor are getting poorer.

But as many of you here are well aware, this methodology is seriously flawed.

The problems with this approach are threefold:

First, it tracks statistical groups rather than individuals;

Second, it presupposes that those populating the bottom quintile in year 1 are the same individuals populating it in year 10; and

Third, it fails to account for individual mobility both up and down the income ladder.

Fortunately, this past month has witnessed the release of two new studies that go a long way toward clarifying this debate.

One is from the Treasury's Office of Tax Analysis; the other is from the nonpartisan Urban Institute. I believe their combined conclusion is that the 1980's represented opportunity and income mobility for a vast majority of the population at all income levels.

Some may choose to discount the Treasury study, noting that it tracks taxpaying families only, or claiming that it represents an administration point of view—but keep in mind that both studies reached essentially the same conclusions.

Each of the two studies tracked individual family incomes over a period of one to two decades. That's not quintile averages—that's individual families. Actual people.

And the results are clear: In the words of the Urban Institute:

> When one follows individuals rather than statistical groups defined by income, one finds that, on average, the rich got a little richer and the poor got much richer.

In other words, upward mobility was the norm in America over the past 20 years. And it was most pronounced for those in the bottom quintile.

Consider that from 1977 to 1986, the incomes of the individuals in the top quintile rose an average of 5 percent. For those in the bottom quintile, it rose 77 percent.

During that same period of time, according to the Urban Institute study, three out of six people in the bottom quintile moved up to a higher quintile. According to the Treasury study, this figure could be as high as five out of six.

In short, John Doe and Jane Smith started out in the bottom quintile in 1977. But through hard work and possibly some good luck, they pulled themselves up to a higher quintile. Now they have been replaced by others, the majority of whom—like John and Jane before them—will themselves climb to a better life.

In the 1980's Americans had improved opportunities to learn, to gain experience in the work place, to become more productive and valued employees, and to take entrepreneurial risks.

They also had the opportunity to fall. But on average in the 1980's, individuals did not fall—they prospered.

A fair economic system should not be judged by where one starts, or even by where one finishes. Instead, it should be judged by whether one has the opportunity to advance.

Significant income mobility in the 1980's translated into a decade of economic opportunity and helped produce 18 million jobs and rising national prosperity.

If these two studies make one common point, it is that individual effort produced increasing rewards in the 1980's.

Our rapidly evolving economy, driven by technological change and the globalization of markets, offered the highest rewards for those with the skills and education to adapt and contribute.

Upward mobility is an American strength. We should celebrate it.

Our goal should be to provide the tools, the incentives, and the rewards that encourage people to build their own futures.

We should not blunt the rewards of the American system by redistributing income. Instead, we must continue to foster the skills, education, and values that will lift the income of the American family.

Helping to build individual futures will improve the economic growth of our Nation and eventually benefit all.

As Arthur Hays Sulzberger might have pointed out, we now have new information upon which to base our judgments.

Let us make them accordingly.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Chair recognizes the Senator from Alaska [Mr. MURKOWSKI].

Mr. MURKOWSKI. Mr. President, I thank the Chair. Good afternoon.

THE FREEDOM SUPPORT ACT

SUPPORTING THE NEW DEMOCRACIES

Mr. MURKOWSKI. Mr. President, I rise today to add my support to the passage of the Freedom Support Act, and to the bipartisan effort which has brought this bill to the floor. Passage of this legislation will help ensure that the emergence of democracy and free

markets in the states of the former Soviet Union will have United States support. Americans must seize this opportunity to make friends out of a former enemy.

Mr. President, I believe that this is the most important thing at this moment that we could do. The nearly bloodless demise of communism in the Soviet Union is known to all of us, and it has really brought us an opportunity we cannot afford to pass up.

As this bill worked its way through the Foreign Relations Committee, we enjoyed a bipartisanship that is rarely seen in this body. Not only did Members from both sides of the aisle work together to perfect and pass the Freedom Support Act, but the administration has also been very helpful in drafting, supporting, and promoting it. I look forward to the continuation of this cooperative effort.

Many critics of U.S. assistance to the newly independent states claim that we can ill afford to be spending money abroad at a time when we have so many needs at home. I would say, Mr. President, that we can ill afford not to assist these emerging democracies struggling to join the nations of the free world. All our efforts of the cold war years were aimed exactly at this goal: to bring down communism in the U.S.S.R. and to free the citizens of those nations from the oppression brought upon them by the Communist dictatorship. We must be there for them now, at this critical time when the transition to democracy and free markets will be difficult at best.

CARGO PREFERENCE

Mr. President, in line with that I would like to turn now to an aspect of the Freedom Support Act which does need our attention. During the long years of the cold war, we built up a body of legislation that restricted and prohibited many ties with the Soviet states. These actions were appropriate at the time, but have outlived their purpose. To remedy this, the Freedom Support Act has a broad waiver provision, authorizing the President to disregard leftover cold war legislation that inhibits our attempts to assist the new democracies.

I would like to make clear that this waiver provision cannot be used as a blank check for sidestepping laws meant to protect and benefit Americans. I am referring specifically to U.S. cargo preference laws that are part of the Merchant Marine Act of 1936.

Mr. President, I have received assurances from the State Department, and specifically from AID, that cargo preference laws will be adhered to under this Act. There is a precedent in our SEED aid package to the eastern European nations, and I expect this precedent to be followed. Additionally, in testimony before the Merchant Marine Subcommittee on June 17, 1992, Secretary of Transportation Andrew Card stated, and I quote, "Existing cargo preference requirements should continue to be enforced."

I want to go firmly on record today in strong support of U.S. cargo preference requirements, and make clear my understanding that these requirements will be adhered to as a result of the passage of this bill. These laws were designed to protect our Merchant Marine, and even though the actual amount of commodity aid being sent to the newly independent states is minimal, in the shipping business every little bit counts.

CONCLUSION

Mr. President, Americans have won an outstanding victory, we have all, together as a nation of individuals, won the cold war. We need to remain present, in the immediate future, to offer our hands to those who have benefited most directly from our victory. We here in America unquestionably reap substantial economic, security, and moral benefits from the demise of the Communist Soviet Union.

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 2904 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERREY. Mr. President, are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

HEALTH CARE REFORM AND THE DEFICIT

Mr. KERREY. Mr. President, last week I came to the floor to talk about the connection between health care reform and this Nation's deficit. This evening, I would like to continue that discussion. In the past, most of us, I believe, have recognized that deficits reduce national savings, that they leave less capital for investment in plants and equipment than otherwise would be necessary, less capital for education and training, and almost everything else that we need to get our economy growing.

The problem of the deficit is that it pulls resources away from needed investment. We have been able to make that argument in a fairly general fashion, and it is compelling for me on the surface.

However, Mr. President, it is always difficult to an audience to make it so compelling that the audience is prepared to actually act. It seems to me that is the gap between what we know in our heads and what we should do and what we are willing to do. The American people are not quite ready to make the leap.

Recently two economists provided some information for a GAO study that was debated or offered in the balanced budget debate. The two economists are Nathan Harris and Charles Skindell, and they have developed a model that enables us to quantify the impact of our fiscal deficit upon per capita income for Americans, essentially the per capita GNP for Americans, what happens if we continue with current policy with no change, what happens if we muddle through and do a few things but do essentially nothing to really reduce the deficit dramatically, what happens if we get the budget balanced in 2001 and what happens if we get the budget in 2-percent surplus in 2001.

The numbers are dramatic. It shows by the year 2020, those who are 48 and have 28 years until 76, which is a painful exercise to go through. We hope we are still alive at 76. We would like to have the people in the year 2020 to say, "Senator KERREY, you were around in 1992. Did you do anything constructive to improve life? Was your service to America truly useful?"

This study shows that whatever the reduction we would like to arrive at that point and answer the question, "Yes." We would like be able to answer that we did something constructive and had a real long-term impact.

The study shows under current policy per capita GNP by the year 2020 would be $23,825. If we can get the budget in balance by the year 2000, we would be able to say to people then that the reason that your per capita portion of GNP is $32,355 or a full third more, that about $9,000 is a consequence of our balancing our budget. We would be able in my judgment to actually say we did something relatively constructive.

The study goes on to show if the budget is in surplus there would be another approximately $800 per capita of GNP.

Mr. President, this is no small matter. Very often we are faced with people who ask us what can we do to get incomes up, how can we reverse the particularly apparent decline in the standard of living for younger Americans? What do we do? How do we reverse this decline of productivity going on since the early 1970's?

Mr. President, here is a hard answer for us, hard in that it is concrete, and hard in that it is difficult for us to face what we indeed need to do in order to get the budget either into balance by the year 2001 or get it into surplus.

Mr. President, last October Congressman LEON PANETTA, the chairman of the House Budget Committee, at the request of the Congressional Budget Office, released a 10-year forecast that showed the Federal deficit after dropping in the mid-1990's begins soaring again. He shows we could be at $400 billion a year by the late 1990's or early 21st century. The single biggest culprit, according to chairman PANETTA, is an exploding Medicare and Medicaid Program; and all of us who look at the budget know that. We see this year, for example, we are silently, in fact, authorizing an increase of about $20 billion in the Medicaid Program alone. I

say it is silent, because those of you who are on the Budget Committee, the distinguished occupant of the chair is, have not been involved in debate, because it is an entitlement program; it goes up automatically. More importantly, unlike the States when they face increases in the Medicaid Program they have to pay for it; we do not have to pay for it. We can fund some of it with current tax money and whatever we do not fund with current tax money we will fund with a bond sale with additional deficit financing.

I am going to show as I did last week again the impact of the pay-as-you-go system. Recently, the Office of Management and Budget released a forecast. First, it was to just a few of us here on the Hill. Then they did it to everyone after the figures appeared in a few news stories. This showed that the deficit could approach $600 billion by the year 2005 if the economy performed modestly and actually exceed $1 trillion if it grows more solidly.

Again, Mr. Darman, the head of the Office of Management and Budget, identifies fiscal health care cost increases as being the No. 1 culprit in the deficit.

So we have Congressman PANETTA showing that our budget deficits could reach $400 billion by the end of the decade and Mr. Darman saying it could be $600 billion by the end of the decade, both of them concluding it is health care cost increases that are driving the deficit. And I would like to show once again the ingredients of how health care is producing deficit financing.

I say this not only to my colleagues here but to the American people. This indeed is a contract between us and you. It is not just us and Congress making this decision. It is our contract with you. We are attempting to represent the people themselves. I am just suggesting there is something going on here that most of us do not know about and that in the knowing of it we have a critical decision to make.

Mr. President, this pie chart again shows the approximate arrangements of the expenditures for health care. I would argue they are larger than most people realize. The charge in the white area there is for Medicare. We spend another $21, $131 billion for Medicare, $21 billion this year for Federal agencies making a variety of expenditures, National Institutes of Health, Centers for Disease Control communities health care programs, block grants back to the States. We spend a surprising $14 billion on the Department of Defense, Army, Air Force, Marine, and Navy.

I got some recent care in Germany myself after being injured in an automobile accident in Vilnius, Lithuania. I had a good orthopedic surgeon, a member of the United States Air Force. He sewed and cleaned me up so I did not get an infection.

There is $14 billion approximately that goes to the Veterans' Administration. We have the Federal Employee Health Benefit Program which not only covers Members of Congress, it covers all Federal employees, active and retired. That is $11 billion, and then the program known as Medicaid is $72 billion.

In addition, we make indirect expenditures through our tax system; that is the tax deduction for people who received health care in the work force, and there is a FICA deduction for businesses that are providing health care.

The total direct and indirect expenditures for health care in this year ending September 30 will be $328 billion; $328 billion, Mr. President, is the amount of expenditures that we are making on behalf of the people. We are making these expenditures on behalf of the American people.

The next question ought to be, for those of us who kind of worry about cash flow from time to time, what kind of revenues are we receiving, and where are we getting the money?

Mr. President, we are taking in from Medicare part A, and we are taking in from Medicare part B approximately $105 billion. We have $92 billion that comes from Medicare part A. We have $13 billion coming in from Medicare part B. So $105 billion is all the premiums. Those are tax premiums that we are collecting from the American people. What we are giving the American people is $328 billion worth of benefits.

So the question is where do we get the rest of it? Sad to say, Mr. President, we are getting some of it in current dollars and some of it we are getting by selling bonds by going deeper into debt. We are getting $154 billion by my calculation from the taxpayers in the current year and going to sell bonds for $69 billion.

The reason I come up with this number, Mr. President, and my colleagues may have some disagreement on this, we have set Social Security off budget. One of the things that needs to be declared is our retirement accounts are really on a pay-as-you-go basis and they are current. I would support some reform of the retirement act, and I talked about that before. But as far as cash flow goes, we have a very large surplus in retirement right now. That is not the cash flow problem. The problem is in health care, where, because we set Social Security off budget, it is fair to say that of every dollar expenditure for anything that we spend at the Federal level 31 cents of it is done with additional debt.

So, Mr. President, I calculate that of that approximately $208 billion that we are looking for that we are funding $69 billion of it with additional debt. We are debt financing $69 billion worth of our health care expenditures.

Mr. DASCHLE. Mr. President, will the Senator yield?

Mr. KERREY. Of course I yield, and I am glad to yield.

Mr. DASCHLE. Mr. President, I just have had the good fortune to hear the distinguished Senator from Nebraska talk about this issue, and frankly I do not believe that our colleagues fully appreciate the magnitude of what the distinguished Senator is addressing here.

I commend him for it. There is no one in the Senate who has spent more time and has put more effort into understanding this issue and in such eloquent ways and in such easily understood ways and is now able to describe it for his colleagues and for the American people.

This is just another illustration of the Senator's leadership in this regard, and I commend him for it.

What I think I understand the Senator to say is that we are now spending, out of the entire health care budget for this country, 40 percent of all of that money we are spending is spent out of Government revenues. Is that what the Senator is telling us? Roughly, he is saying, $328 billion out of $800 billion is funded through the Government, so 60 percent, as I understand what the Senator is telling us, is spent in the private sector, but 40 percent today is spent out of Government; is that correct?

(Mr. BRYAN assumed the chair.)

Mr. KERREY. That is correct. Actually the $328 billion is what the Federal Government spent. State and local governments spend about $135 billion on top of that, roughly $180 billion private insurance, and the balance is out of pocket; that is correct.

Mr. DASCHLE. So what the Senator is saying is Government already spends more than half of all this country spends on health care; is that a correct statement?

Mr. KERREY. That is correct.

Mr. DASCHLE. Oftentimes, I go home or I talk around the country to various groups who have come to me and said, of all things, I hope you will preserve the private sector's role in our health care system. And I agree that, to the maximum degree possible, we should.

But I do not think people fully appreciate what a limited role that is, given the fact that when we look at the overall financing package, as the distinguished Senator has indicated, that package now constitutes a significant role for Government at the State and local level.

Now the thing I am most surprised at, and I would like the Senator to elaborate on it a little bit, is, as I understand what he said, one out of every 3 or 30 cents out of every dollar that we are committing to the health care system today at the Federal level is borrowed; is that what the Senator is telling us?

Mr. KERREY. Yes. Every dollar that we spend at the Federal level, other than retirement programs, which we have now set off budget, every dollar that we spend, if you are a Federal employee, if you are in agriculture, if you work for the Department of Defense out there building roads, whatever, we are spending—for every dollar we spend, we must sell 31 cents worth of bonds to pay for it. We are deficit financing approximately 30 percent of everything we spend.

Mr. DASCHLE. So, again, going back to your chart because it is so critical that we understand the financing, as we try to begin considering alternatives, financing is a very significant part of it. What I hear the Senator telling us is that approximately, then, 15 percent of our entire health care system would be spent by borrowing, taking from future generations in order to accommodate the tremendous proliferation of costs we have seen over the last several years.

Mr. KERREY. That is correct. And it touches everybody. If you get a tax deduction, understand that is an expenditure, it is indirect, and we have to deficit finance to do that as well. So it is not as if you are able to say we are deficit financing for poor people, we are deficit financing for elderly people, Medicare is the only thing we are receiving direct premiums for; everybody is participating in what is essentially a free ride.

Mr. DASCHLE. So in a way you are saying that those children, those who are most detrimentally affected by the current system, mothers who are not getting prenatal care, children who do not have access to primary care, are not only hurt by the fact that they have no access to the system, now we are being told by the distinguished Senator from Nebraska that they are also being hurt very significantly by the fact that they are ultimately paying for a system to which they do not have access.

Mr. KERREY. That is quite right.

Mr. DASCHLE. They are paying a lot, maybe 15 percent, into the current system and they do not have access to it.

Mr. KERREY. That is quite right. We are spending the dollars, as the distinguished Senator from South Dakota knows, because I have heard him talk very eloquently about it, we spend health care dollars in a pyramid fashion; that is to say, almost no incentives at all for prevention. We basically have a system that says when you get sick we will pay the bills, but if you are not sick you are going to have a difficult time getting expenditures; that means prenatal care, well baby care.

Our system of providing continuous health care for children is appallingly inadequate. The consequence of that underfunding is not only do you spend more money later on but you are underfunding, as the Senator quite rightly says, that very group that is going to suffer most because we are deficit financing the current expenditures.

If you think about it, if we say we are going to give $10,000 a year, $9,000 a year, roughly, and these are hard numbers now, one does not have to guess anymore. One thing about our debate today is we no longer have to talk in generalities about what the deficit is doing to us. We can look out in the future and say if we get in balance in the year 2001—and I am going to show how we can do that—we will add another $9,000 of per capita GNP to every single American in the year 2020. Failing to do that, they will have $9,000 less per capita.

The Senator is quite right. The very people we are underfunding today with our health care proposals will be the ones that will have to pay for it 28 years from now.

Mr. DASCHLE. I know the Senator has a presentation and I do not want to interrupt him any further.

But I think the other hidden cost that the Senator has addressed and needs to be emphasized is that if 15 percent of all of the money that we are spending this year is borrowed, when one takes the cumulative costs year after year of the borrowed dollars, that ultimately adds up to a lot more than the 15 percent we are paying now. It could exceed the current cost per year in a very short number of years.

Certainly by the time these young people, who do not have access and who are now paying because we are borrowing, come to the point when they do have some access, the overall cost is going to be far greater simply because we borrow the money and they will then be paying the cumulative interest and that debt will be larger.

Mr. KERREY. That is quite right.

Mr. DASCHLE. I think the Senator is making a very important point and I hope that our colleagues will have the opportunity to listen carefully.

Mr. KERREY. It is one of the reasons I objected in January, not just because I was out on the Presidential campaign trail myself, but when the President introduced his health care proposal, it was essentially additional tax expenditures with no identification of where he was going to get the money. He just wanted to spend some additional money to try to solve the problem.

The proposal of the distinguished Senator from South Dakota takes cost containment head-on, and we have to do that. Unless cost containment is our top priority with health care, we are merely reinforcing all the very bad things that we are currently doing and making them worse. We may provide some additional access but at a considerable cost to taxpayers and particularly the young people who will in the end have to pay the bill.

Mr. President, I am just going to try to in brief form lay out three things that we could do if we as a body would like, as old men and women, to stand out there at sometime in the future and be able to say that indeed we did add to the per capita GNP of young Americans who today are looking in the future, expecting to be working out there in that year. Three things, and they are relatively simple to say and relatively difficult to do.

The first is just to declare that we will take all of our health care expenditures and put them into one account. And that does not mean we shut down the VA. It does not mean we consolidate the VA into some other organization, or the Department of Defense. We can leave all the agencies as they are. We will, simply for budgetary purposes, consider them as one account, including the tax expenditures that we make that I indicated earlier. So now we have one account.

I am arguing the first thing we should do is operate on a pay-as-you-go basis. If we want to provide a benefit, whether it is a benefit to people who are buying private health insurance or people getting their health care through the Veterans' Administration or Medicaid or Medicare, we should raise the money and pay for it, close this $69 billion gap that we have this year that will be larger next year.

The second thing that I propose we do, Mr. President, is agree that the cost increases and cost increases of all of our health care expenditures will not exceed 5 percent a year. Maybe we said it was going to be 4 or 3. I am pegging it at 5 percent. That is still in excess of the rate of inflation. It still exceeds the increase in our gross national product. It should be reasonable for us to fund our program.

The third thing we need to do is to find approximately by my guess—I will fill that blank in—find an additional $15 billion or so of spending reductions in defense and other areas.

We have, according to the distinguished Senator from Arkansas [Mr. PRYOR] in talking to him earlier, we have a huge increase in the amount of outside contracting we are doing. We ought to be able to find an additional $10 or $15 billion in reduction.

If we did those three things in fiscal year 1993, here is what would happen, Mr. President. The red line shows the reduction that occurs as a consequence of operating on a pay-as-you-go basis. It is a huge reduction in the deficit in the first year, continuing down in the outer years. The orange line merely accumulates what happens if we operate with a 5-percent increase.

By the year 1997, we have moved the deficit down to $23 billion. It does not take a magician to figure out that a relatively steep reduction in defense and other items in our early years would put us in the position where we would get into surplus.

One of the things that needs to be said at this point, Mr. President, and why I like this approach, is that under the current environment what we are doing is shortchanging the very kinds of investments we need to be making from the Federal level that will promote even more economic growth.

This really shows up at the States, where States cannot deficit finance. States cannot sell bonds, as the distinguished occupant of the chair knows, having been a Governor of the great State of Nevada. We cannot sell bonds, typically at the State level, if we run short.

The State of Nebraska is about $25 million short with Medicaid, and that is about the size of the increase with Medicaid. As I indicated earlier, the Federal Government has a $20 billion increase in Medicaid. I do not recall anyone coming to the floor, saying we have a terrible crisis with Medicaid. The reason it is not a terrible crisis is because we know if we are running a little short, we just sell bonds. For our $20 billion, we will sell approximately $6 billion of bonds to pay the difference.

At the State level, what we see is they have to cut back on higher education; they have to cut back on primary and secondary education; they have to cut back on current investments. All we see is those current investments as domestic discretionary expenditures; they have to cut back current investments that will produce long-term economic growth.

Health-care cost increases at the Federal level are doing the same thing. Even though we are selling bonds and we mask the impact of it, we are still doing the same thing. What we are rushing to do under the current arrangements, without addressing this cost increase of health care, is that we are cutting back on those very things we need to put our money into to promote additional economic growth and prosperity for our people.

This morning I had the distinction of following President Bush's domestic policy adviser, I believe he is—I do not know what his exact title is—former Secretary of Agriculture, Clayton Yeutter, who is also from the State of Nebraska. As I told the Agriculture people, I was pleased. We are proud that former Secretary Yeutter now is the head of this domestic policy council. As a Democrat, I said, I wish he were still Secretary of Agriculture. But he is over there, and proud of what he is doing.

He came before this group to defend the free trade agreement with Mexico. And as he defended that free trade agreement, which I voted for—fast track; I think it could be good—he said the key part—the key part of making that trade agreement work if it is going to work is to invest in job training for our people. Because, the President's adviser said, there is no question that lower-income Americans will have their jobs destroyed; there will be job displacement as a consequence of this action.

By the way, Mr. President, even if we do not get a free trade agreement, that is happening anyway. We are seeing jobs move offshore as a consequence of being in a global environment. We have at least 40 million of our people—by a recent Department of Labor study—in the work force today who are undertrained. We need to be investing in their training.

It is going to take money. Yes; they will have to make an effort. Yes; they will have to work harder. But, Mr. President, we will have to make an investment in our community colleges, an investment in our private-sector training efforts. We need to get started making the kind of investments in our people that Governor Clinton has been talking about, frankly.

We are not going to be able to do that unless we get this deficit under control, and unless we get the deficit under control in a manner that has us facing head on public enemy No. 1.

Again, for emphasis, we only need to do three things. One, pay-as-you-go health care expenditures. If the American people want health care benefits, we will collect the tax revenue to pay for it. If they do not want the $65 billion they are getting for nothing right now, let us cut the $69 billion and get current.

The second thing we should do is declare we are going to allow health-care growth not to exceed 5 percent a year. It can be 4 percent; it can be 3 percent. If we decide it is going to be 6 percent then, the third area of action will have to be even larger.

The third area of action is we have a package, a relatively small amount of reductions in defense and other items. Again, the distinguished Senator from Arkansas earlier was talking to me about some contracts that are possible. We can surely find $10 billion to $15 billion worth of expenditures in these areas.

Mr. President, if we do those three things, we will be in surplus by the year 1997.

If we get this surplus, we will add at least $9,000 per capita by the year 2020 for every single American, and we will be able to turn our attention to making investments in education, making investments in job training, making investments in the kinds of things that will increase American productivity and increase our standard of living and give Americans a sense that we can restore the economic health of this country.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. DASCHLE. Mr. President, let me again compliment the distinguished Senator from Nebraska for his leadership in this area, and for enlightening all of us, who can learn so much from his study and from his dedication to this issue.

He has served this Senate well. He certainly has been a major contributor to the debate about health care reform and the need to make significant change in the coming months.

I commend the Senator and I appreciate his interest and his leadership on the issue.

Mr. KERREY. Mr. President, I should add my thanks, as well, to the distinguished Senator from South Dakota. He has made a very comprehensive commitment to people. He and Senator WOFFORD campaigned on health care. It was an exciting proposal, one indeed that incorporates the elements that are described here.

I should say for emphasis, to my colleagues who have not, in their own minds, resolved as to what we ought to do with health care—I have. There are some details I am willing to debate. These two things can be done without necessarily reforming in a comprehensive way our health care system. These are just fiscal conditions, fiscal conditions that I believe should be incorporated in comprehensive health care reform.

Indeed, in order to make the 5-percent growth limitation on health care expenditures truly work without having the cost shift that again I heard the distinguished Senator from South Dakota describe very eloquently, one must move to comprehensive health care reform to get the job done. Anyone who has really looked at the numbers of health care growth in America, government and private sector, knows that we cannot continue at this pace. We are going to have to change in a fundamental way the way we are financing health care.

It does not mean the way we deliver health care has to change. We can still have private health care in America. We can still have very high-quality health care in America.

I heard the distinguished Senator from Minnesota [Mr. DURENBERGER] the other day on the floor complimenting, as he should, the Mayo Clinic in Rochester, MN, for being identified as one of the lowest-cost hospitals in America. No one would argue the fact that Mayo is also one of the best hospitals in America, demonstrating that cost control and quality are not mutually exclusive. Indeed, cost control can force us to make sure we are doing accurate and up-front qualitative analyses.

Mr. President, I believe cost reduction, economic growth, and providing an environment where Americans no longer fear they are going to have their health care taken away from them. And I, for the record, want to compliment, as well, the Senator from South Dakota, who has not only been a

leader on this issue, but has managed as only he can to pull people that are apparently of different minds together to move toward consensus, Republican and Democrat, as we need to do on behalf of the American people.

Mr. DASCHLE. Mr. President, I thank the distinguished Senator from Nebraska. I appreciate so much the cooperation and all of the effort he has put forth.

He made the point I was going to make tonight, that no one ought to be wedded to a specific proposal. He said there are a set of principles here that should be incorporated into any reform proposal. I think that really is something we need to concentrate on more. There ought to be a set of principles on which we agree and with which we begin to base a comprehensive health care delivery system in this country.

Obviously, as we try to put those principles together, one of the key questions is, to what degree do those principles address the problems that are besetting this country today with regard to health care?

I have addressed that series of problems in previous remarks, and I will not elaborate, but I think for review, they are important to mention again, to appreciate the magnitude of the problem. It is not just a cost problem; it is not just a problem of access. In my view, it is also a problem with the way we allocate our resources.

The fact that we are misallocating resources is becoming much more clear. And I think, as it becomes clear, we begin to address this series of problems in a much more comprehensive way. We are misallocating resources to administrative costs; we are misallocating resources to expensive health care delivery methods that could be reallocated to save substantial resources committed now unnecessarily.

Another problem, that I certainly have addressed, and others have, as well, is that we spend far too much on unnecessary care. Some will tell us that that unnecessary care could be as much as 30 percent of all the care delivered today, for a lot of different reasons which we have outlined in the past.

Finally, of course, the hassle factor, the fact that doctors and administrators are spending far too much time filling out forms, dealing with bureaucracy, and not providing health care. Experts have told us that as much as the equivalent of 2 work weeks are spent each month by doctors who have to spend an incredible amount of work and time and effort filling out these bureaucratic, nightmarish forms to a point that they never dreamed possible when they were in medical school.

So we have all of these problems. There is no single bullet with which to solve them. Some would say all we have to do is revise our current health care delivery system, adopt what many people call managed care; managed care will take care of the problem.

There was an interesting article in the paper just in the last couple of days which indicated that, while managed care can contribute, managed care, in and of itself, will not solve the problem. Businesses and corporations of all kinds are coming before the Congress and are reiterating that managed care is not meeting their expectations. So managed care is no silver bullet.

There is no single bullet. There is no easy answer. There is no incremental approach that will softly and gently move us into a new arrangement whereby we could resolve all of the five problems.

But what ought we to consider as a basic core set of principles that can begin creating this comprehensive health care plan? I think there are a number of them. I very briefly want to touch on those principles today. They can be incorporated into any one of a number of different comprehensive health care reform proposals. But I think, for a comprehensive approach to health care reform to be successful, they ought to include in some form some of the principles that I am about to mention.

The first would be preventive care. Today we had a major decision from the Supreme Court about abortion and, whether one is pro-life or pro-choice, there is no argument about one thing. Regardless from which philosophical perspective you may come, the fact is that we can save the lives, the livelihoods, the health, the ultimate welfare and well-being of those children much more effectively if we provide universal access to health care delivery; for pregnant mothers, more opportunities to give that new child an opportunity to live in good health; for that fetus an opportunity to grow and be nurtured under the guidance of a health care provider.

For all of those who are so concerned about the issue either way, I challenge them to come forth and to join with us in the realization that we must provide extensive prenatal care and neonatal care to every single child in this country. You cannot have a health care delivery system unless you start with that. I do not care what it is, I do not care what kind of a plan you put forth, it has to start with that. Primary care, wellness promotion, preventive care starts with the child, starts with the pregnancy, starts with access for that pregnant mother, who for the first time, would have hope that she and her child could be healthy. What is more fundamental than that? What is more sensible than that? What could be more economically efficient than to provide access to health care with the cheapest and most inexpensive approach rather than to wait until complications develop? I am told that the cost-effectiveness ratio of prenatal care could be 100 to 1 to one. That is, you save $100 for every $1 you put into a prenatal care program. If it is that extraordinary, then why are we not doing it today?

The second principle, it seems to me, is pretty simple as well. You have to have a budget. If there is one thing I hear every time I return home, and I return home often, it is people who walk up and say, "Tom, the thing you ought to do is run Government like a business or a family. We all have a budget, why do you not? You have to run it like a business. You have to run it like a family. You have to live within some confines; you just cannot go out there and spend until you get blue in the face."

I think they are right. I am not sure families and businesses always do it as well as we would like, as well as they would like, but certainly you have to give them extraordinarily high marks for effort.

But what are the marks when it comes to health care in this country? Where is the budget? Where is this notion of running a government entity like a business or a family when it comes to health care? We spend as if there is no tomorrow. We do not have any limits, either in the private sector or in the Government sector, when it comes to health care. And the results are economically cataclysmic.

The distinguished Senator from Nebraska made it very clear: We are spending extraordinary amounts of money unnecessarily and with costs that we have not even begun to realize simply because we do not have a budget. We have to begin appreciating the need for a budget if we are going to deal with health care costs.

A couple of months ago we had a very vigorous debate about capping Medicare and Medicaid, and there were those on the other side who said we have to cap them because that is the only way we are going to control them. And, to a certain extent, I can subscribe to that argument. But if we are, indeed, going to cap Medicare and Medicaid, are we not then acknowledging the need for a budget? I would argue we are, and I would argue that it is time we not only cap Medicare and Medicaid but that we cap every other part of health care spending and realize that our resources are limited and, if they are limited, come to some better approach to how we allocate those resources.

The third principle: Let us also acknowledge that we have way too many payers in the system today. The General Accounting Office has indicated to the Congress that a big reason why we see fraud in the current system—and that fraud was $70 billion last year—is tied directly to the fact that with our multipayer system, there is no one minding the store. There is no way to

ensure that all of this money does not fall down an ever increasing rat hole because of fraud. And they said of all of the reasons why fraud exists, the biggest is the hundreds and hundreds of payers in our current system, 1,200 to 1,400 payers today. And the duplication not directly related to fraud is equally as expensive.

The plethora of payers is driving administrative costs sky high. We are told administrative costs alone could be 20 to 25 percent of the overall health care budget. Twenty-five percent, Mr. President, is over $200 billion that we are spending on paperwork, that we are spending on administration and all of those other costs not directly related to health care, and that is wrong.

Small businesses are among the biggest victims of all. Their costs are substantially higher than those of large corporations; 40 percent of the premiums small businesses pay today go to insurers' administrative costs, 40 percent. So we have a gas-guzzler system, a system that takes too much to get from here to there in providing the health care we all want.

The fourth principle: some kind of decisionmaking entity. A Federal health board is essential. The one real encouragement I have received in recent months in talking about this issue on both sides of the aisle is the realization that there has to be some decisionmaking authority, some way for us to start making better allocation decisions, better cost-containment decisions, better decisions relating to where the dollars go in primary care. Those kinds of issues have to be decided by someone, and a health care delivery mechanism that includes a decisionmaking authority is absolutely essential.

The fifth principle is one about which I feel very strongly. I know that it is somewhat controversial, but I do believe that as we continue to evolve into a more realistic health care delivery mechanism, that new mechanism, that new reform movement is going to at long last delink health-care insurance from employment.

For the life of me, I do not understand how it was that it got to this point in the first place. Employers do not take care of our housing; they do not take care of our education; they do not take care of our clothing or our other necessities in life. Why and through what method was it that we came to the conclusion they are responsible for our health care? They are not responsible in any other country. So if they are not in any other country, why would they be in this country, which proclaims its competitiveness and its ability to compete anywhere in the world with the most competitive features of our capitalistic system?

What is competitive about requiring employers pay up to $500 to $700 a month in insurance costs? That cost, Mr. President, is driving our employers to a position which is not competitive and is having a devastating effect on their ability to compete internationally. An economist told us, candidly, a couple of months ago that one of two things is going to happen within 20 years: either we will have come to our senses and broken that link between employment and health care delivery or our large employers will have left the country to evade that responsibility.

I think he is right. It is the most inefficient and complex way of providing insurance there can be. General Motors estimates that its obligation for retirees' health benefits exceeds its total assets today.

So let there be no mistake; the cost of continuing to require employers to pay health care is wrong, uncompetitive, extremely inefficient, expensive, and an anachronism.

I do think employers ought to have the opportunity, should they so choose, for whatever reason—recruitment, retention, whatever reason it may be—to provide health care. That ought to be their choice. But to require under law that an employer does so, to me, ought to be changed.

Those are the principles, Mr. President: Breaking the link between employment and health care, having some kind of a decisionmaking authority, reducing the number of payers, having a budget, ensuring that we have preventive care, are principles that I hope Democrats and Republicans alike could support and could use as the basis upon which to build comprehensive health care reform.

Mr. President, there is one other point that I would like to make before I yield the floor. It has to do with some comments made by the Secretary of Health and Human Services a couple of weeks ago before the Senate Finance Committee. The Secretary indicated that a new study had just been released by Dr. Robert Blenden of the Harvard School of Public Health. It was presented at a recent meeting of the Association of Health Services Research. He stated that in that study physicians found the Canadian system virtually unacceptable.

I do not want to paraphrase inaccurately the Secretary's remarks. I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Canadian doctors, according to a recent report, are deeply concerned about their ability to get access for their patients to special care and medical technology.

In addition, let me report, a large majority of doctors in Canada and Germany also believe their systems require major overhaul.

And also, Senator CHAFEE, the source for that citation of the Canadian doctors is a study by Dr. Robert Blenden of the Harvard School of Public Health.

And there was an article citing the study in the Wall Street Journal on June 9, just a few days ago. And this was a study funded by the Robert Johnson Foundation.

Mr. DASCHLE. The reason I raise the issue, Mr. President, is because it goes to a larger point. The larger point is, regardless of whether or not we subscribe to a Canadian system or a German system or any one of the foreign systems, I happen to believe that the adoption of a foreign system is wrong; that we can adapt American principles and American health care reform standards and American health care practices to a comprehensive health care reform system that has little to do with what is done in Canada or what is done in Germany or what is done in Britain or Japan.

But just because I do not subscribe to a Canadian system or a German system does not mean I believe we cannot learn from a German system or a Canadian system. And if we are going to learn from one of these systems, it seems to me we ought to get our facts straight and not, for whatever reason, distort the facts to make a point, only to obfuscate the issue and not learn at all.

Oftentimes that seems to be the case as we debate health care reform. Outrageous claims or accusations are made about other systems that so undermine our ability to understand, undermine our ability to debate the issue in an objective and enlightened way I think the purposes are defeated. And so it is in that interest I would attempt to lay the record straight with just a few points made in the very study the Secretary cited in his testimony 2 weeks ago.

Point No. 1, "Canadian and West German physicians were found to be more satisfied with their system than were U.S. physicians"—more satisfied. That was not the impression left by the Secretary, but that is what the study says.

Second, "physicians in the U.S. were unique among the three countries in reporting a serious problem with obtaining care for patients who could not afford treatment."

The Secretary made quite a point of saying that there are long waiting lines in Canada, that certain kinds of care were not provided, and he cited this study as his basis for making that claim. Now we find that the study is very clear. It says physicians in the United States were unique in pointing out that our system presented serious problems for obtaining care for patients who could not afford treatment.

The third point, "U.S. physicians reported more patients who should have sought care earlier.

"U.S. physicians reported the most external interference from third-party payers in their medical practice decision making."

We are seeing that today with the managed care concept. External inter-

ference from third-party payers. How much more can we expect in the future by an employer or someone who says we are not going to pay that for you; you are not going to get it. As a result, it is up to you. External interference may or may not be a good thing. But if it is haphazard, if it is done without standards, then I would argue, Mr. President, we are making a mistake. And the United States has more external interference than that of other countries.

"Only 23 percent of United States doctors believe the system works pretty well as compared to 33 percent of doctors in Canada and 48 percent of German physicians."

And then finally, "More than two-thirds of American physicians said they thought fundamental changes are needed to make the system work better."

I think that is a phenomenal figure. Two-thirds of American physicians said they thought fundamental changes are needed to make the system work better. We are not talking about patients here. We are not talking about rank and file American workers. We are talking about people on the front lines, those in the surgical suites, those in the emergency rooms, those who ought to know the system best. Those people are saying by two-thirds that fundamental changes, not tinkering around the edges, are needed in the current system.

Dr. Ted Marmor of Yale University may have summed it up best at the end of the hearing, referring to the incredible array of misguided and absolutely inaccurate information broadcast about the Canadian system, when he said, "I think I've heard the intellectual equivalent of acid rain." We're sending unwanted verbal pollution across the Canadian border.

I think there is a lot of intellectual acid rain when it comes to health care delivery. We have to separate fiction from fact. We have to understand what the real facts are so that we can make objective decisions about what it is we need and what it is we want. I hope over the course of the next several months we will have that opportunity in committees and on the floor.

I appreciate very much the attention of my colleagues to this issue this evening.

Mr. President, I yield the floor.

THE SUPREME COURT'S DECISION IN THE ABORTION CASE

Mr. KENNEDY. Mr. President, today's decision by the Supreme Court in the Pennsylvania abortion case severely undermines the right of a woman to choose to terminate her pregnancy. The Court has clearly abandoned large parts of the protection that Roe versus Wade provided. Today's decision is a signal to the States that a wide range of previously unconstitutional restrictions on a woman's right to choose will now be held valid by the Court.

The decision is little more than an invitation to the States to impose additional burdensome restrictions on abortion. The inevitable result is massive uncertainty in the law and endless litigation to try to clarify it.

In this situation, the only responsible course is for Congress to act as soon as possible to pass the Freedom of Choice Act, and restore to all the women of America what the Supreme Court today has taken from them.

I intend to ask the Senate Labor Committee to act on this legislation on Wednesday, so that the full Senate will be able to pass this essential measure as soon as possible.

It is a sad commentary on the State of constitutional law in America in 1992 that the Supreme Court of the United States is willing to cut back on the fundamental constitutional guarantee that the Court upheld in Roe versus Wade in 1973.

Restrictions on abortion of the sort approved by the Court today are all too likely to cause large numbers of women to sacrifice their dignity, their health, and often their lives, to terminate their pregnancies.

In recent hearings before the Senate Labor and Human Resources Committee, we heard the eloquent and brutal testimony of a woman who underwent an illegal first trimester abortion in the mid-1950's. Another witness, too poor to afford an illegal abortion, described the desperation that led her to try to perform an abortion on herself. Finally, we heard the heartbreaking story of a son who, more than 60 years later, was brought to tears again as he described his mother's death from an attempted abortion on herself.

No woman in America and no family in America should be placed in these tragic circumstances. The decision whether to terminate a pregnancy is a private and deeply personal and anguishing decision that should be made by a woman and her doctor, not by the Federal Government, and not by State and local governments.

We should all work to reduce the need for abortions in America through more effective family planning, contraception research, and adoption services. But we must also safeguard a woman's right to make this deeply personal choice to terminate a pregnancy, and we must assure that she can safely implement her choice without governmental interference.

I hope that my colleagues will read the shocking testimony of these victims to whom I have referred. I ask unanimous consent that excerpts from their testimony may be printed in the RECORD. I also ask unanimous consent that the headnote from today's Supreme Court decision may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE THE COMMITTEE ON LABOR AND HUMAN RESOURCES ON S. 1912, MARCH 27, 1990

A DARK, DIRTY OLD BUILDING

* * * I entered this dark, dirty old building with my hands shaking and my heart in my throat, when I walked up those three flights of pitchy stairs and got to the door at the top of them, it cost me $1,000 to get through that door—$1,000 made up of pennies and nickels and dimes saved up over a very long period of time, money that I had attempted to scrape together to put away for a down payment on a home for my family—and every bit of it gone to pay for a dirty knife.

This was in 1954, gentlemen, a time when a dollar was worth probably three to four times what it is today, and I was about two and a half months into the pregnancy. Today an abortion at that stage, done safely, would cost about $250. But in 1954, I had to hand this drunken old butcher four times that amount, and it bought me the most painful and degrading experience of my life.

After I had been given two aspirin, which was the anesthetic, I was led down a hall to a filthy little room with cobwebs hanging from the ceiling and a slop bucket placed at the end of what resembled a dirty old kitchen table. The abortionist was pouring himself a drink of whiskey as I went into the room and the first thing he said to me was: "You can take your pants down now, but you should have—ha, ha—left them on before."

Then he told me to lie down on the table. And when I did, what I saw coming toward me was a man with a whiskey glass in one hand and a sharp instrument in the other and both hands shaking.

After he had downed his drink, he doubled his fist over my face, held it about two inches from my face and said: "This is going to hurt—and you'd better keep your mouth shut or I'll shut it for you."

I didn't doubt him at all, not for a minute, and I did keep my mouth shut—through about 15 minutes of the most eyeball-popping pain you could ever imagine.

I BECAME A LITTLE CRAZY

At the age of 20 years old, I was living in White Plains, New York. I was working as a domestic. And as I said, I found myself pregnant.

I really and truly at that time became a little crazy. I could not think of how I was going to terminate this pregnancy. I did all kinds of things to self-abort, from taking quinine and turpentine, to taking black draft, to taking epsom salts, to taking all kinds of laxatives, to taking hot baths where I literally cooked myself, to eventually coming to the conclusion that the only thing that I could do was to do what other friends had done, which was to resort to knitting needles.

I bought a pair of knitting needles in F.W. Woolworth's in White Plains, New York. I did not buy the little fat kind; I bought the long, thin kind. I then proceeded to buy a flashlight and a mirror. The flashlight was so that I could see exactly what I was doing and so that I would have a mirror so I would be able to look.

I had a pail, I had a flashlight, I had a mirror, and for two consecutive days, I tried to induce a period that was a month late.

It is a horrendous experience to try to self-abort. It is something that most women have done if they have found themselves pregnant and have no money, and that was what I did.

I was eventually successful, and I did self-abort.

I would like to say that after the procedure, I hemorrhaged; I did not go to the hospital because of fear.

I GREW UP BELIEVING OUR MOTHER DIED FROM PTOMAINE POISONING

During 1929, a gifted soprano, 28-year-old Denver mother, and adored wife of two toddlers two and four years old, desperately faced a new and life-threatening pregnancy, unknown to her husband and her parents. She telephoned her desperate circumstances to her sister-in-law, married to a country doctor in Idaho, and begged her to get "Doc" to perform an abortion.

"My aunt gently and sorrowfully told her that she could not ask "Doc" to forget his Hippocratic Oath and professional license to perform an illegal operation, even for one so dear as his young sister-in-law, and "Doc" never heard of her pleas before she died.

My cornered, frantic mother turned to back alley means and illegally obtained a quantity of a controlled drug, ergot apiol, which she secretly and ineptly overdosed at home.

At the dinner table that night, she went into convulsions and died on the floor, before the terrified eyes of her husband and tots.

* * *

My sister and I grew up believing our mother died from ptomaine poisoning caused by home-canned sweet corn—understandably, an equally painful and horrible death, but socially acceptable to the pro-lifers of 1929 and 1990.

We never had a chance to ask our Dad, his sister and our uncle "Doc" for the facts, which we learned only 2 years ago, when my sister, a retired nurse, researched and obtained a copy of my mother's death certificate, which is attached: "Cause of death, determined by an autopsy, overdose of ergot taken to produce an abortion."

[Supreme Court of the United States]

PLANNED PARENTHOOD OF SOUTHEASTERN PENNSYLVANIA *v.* CASEY

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 91-744 together with No. 91-902, CASEY *v.* PLANNED PARENTHOOD OF SOUTHEASTERN PENNSYLVANIA); Argued April 22, 1992—Decided June 29, 1992

At issue are five provisions of the Pennsylvania Abortion Control Act of 1982: §3205, which requires that a woman seeking an abortion give her informed consent prior to the procedure, and specifies that she be provided with certain information at least 24 hours before the abortion is performed; §3206, which mandates the informed consent of one parent for a minor to obtain an abortion, but provides a judicial bypass procedure; §3209, which commands that, unless certain exceptions apply, a married woman seeking an abortion must sign a statement indicating that she has notified her husband; §3203, which defines a "medical emergency" that will excuse compliance with the foregoing requirements; and §§3207(b), 3214(a), and 3214(f), which impose certain reporting requirements on facilities providing abortion services. Before any of the provisions took effect, the petitioners, five abortion clinics and a physician representing himself and a class of doctors who provide abortion services, brought this suit seeking a declaratory judgment that each of the provisions was unconstitutional on its face, as well as injunctive relief. The District Court held all the provisions unconstitutional and permanently enjoined their enforcement. The Court of Appeals affirmed in part and reversed in part, striking down the husband notification provision but upholding the others.

Held; The judgment in No. 91-902 is affirmed; the judgment in No. 91-744 is affirmed in part and reversed in part, and the case is remanded.

947 F. 2d 682: No. 91-902, affirmed; No. 91-744, affirmed in part, reversed in part, and remanded.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER delivered the opinion of the Court with respect to Parts I, II, and III, concluding that:

1. Consideration of the fundamental constitutional question resolved by *Roe* v. *Wade*, 410 U.S. 113, principles of institutional integrity, and the rule of *stare decisis* require that *Roe*'s essential holding be retained and reaffirmed as to each of its three parts: (1) a recognition of a woman's right to choose to have an abortion before fetal viability and to obtain it without undue interference from the State, whose previability interests are not strong enough to support an abortion prohibition or the imposition of substantial obstacles to the woman's effective right to elect right to elect the procedure; (2) a confirmation of the State's power to restrict abortions after viability, if the law contains exceptions for pregnancies endangering a woman's life or health; and (3) the principle that the State has legitimate interests from the outset of the pregnancy in protecting the health of the woman and the life of the fetus that may become a child. Pp. 1–27.

(a) A reexamination of the principles that define the woman's rights and the State's authority regarding abortions is required by the doubt this Court's subsequent decisions have cast upon the meaning and reach of *Roe*'s central holding, but the fact that THE CHIEF JUSTICE would overrule *Roe*, and by the necessity that state and federal courts and legislatures have adequate guidance on the subject. Pp. 1–3.

(b) *Roe* determined that a woman's decision to terminate her pregnancy is a "liberty" protected against state interference by the substantive component of the Due Process Clause of the Fourteenth Amendment. Neither the Bill of Rights nor the specific practices of States at the time of the Fourteenth Amendment's adoption marks the outer limits of the substantive sphere of such "liberty." Rather, the adjudication of substantive due process claims may require this Court to exercise its reasoned judgment in determining the boundaries between the individual's liberty and the demands of organized society. The Court's decisions have afforded constitutional protection to personal decisions relating to marriage, see, *e.g.*, *Loving* v. *Virginia*, 388 U.S. 1, procreation, *Skinner* v. *Oklahoma*, 316 U.S. 535, family relationships, *Prince* v. *Massachusetts*, 321, U.S. 158, child rearing and education, *Pierce* v. *Society of Sisters*, 268 U.S. 510, and contraception, see *e.g.*, *Griswold* v. *Connecticut*, 381 U.S. 479, and have recognized the right of the individual to be free from unwarranted governmental intrusion into matters so fundamentally affecting a person as the decision whether to bear or beget a child, *Eisenstadt* v. *Baird*, 405 U.S. 438, 453. *Roe*'s central holding properly invoked the reasoning and tradition of these precedents. Pp. 4–11.

(c) Application of the doctrine of *stare decisis* confirms that *Roe*'s essential holding should be reaffirmed. In reexamining that holding, the Court's judgment is informed by a series of prudential and pragmatic considerations designed to test the consistency of overruling the holding with the ideal of the rule of law, and to gauge the respective costs of reaffirming and overruling. Pp. 11–13.

(d) Although *Roe* has engendered opposition, it has in no sense proven unworkable, representing as it does a simple limitation beyond which a state law is unenforceable. P. 13.

(e) The *Roe* rule's limitation on state power could not be repudiated without serious inequity to people who, for two decades of economic and social developments, have organized intimate relationships and made choices that define their views of themselves and their places in society, in reliance on the availability of abortion in the event that contraception should fail. The ability of women to participate equally in the economic and social life of the Nation has been facilitated by their ability to control their reproductive lives. The Constitution serves human values, and while the effect of reliance on *Roe* cannot be exactly measured, neither can the certain costs of overruling that case be dismissed. Pp. 13–14.

(f) No evaluation of legal principle has left *Roe*'s central rule a doctrinal anachronism discounted by society. If *Roe* is placed among the cases exemplified by *Griswold*, *supra*, it is clearly in no jeopardy, since subsequent constitutional developments have neither disturbed, nor do they threaten to diminish, the liberty recognized in such cases. Similarly, if *Roe* is seen as stating a rule of personal autonomy and bodily integrity, akin to cases recognizing limits on governmental power to mandate medical treatment or to bar is rejection, the Court's post-*Roe* decisions accord with *Roe*'s view that a State's interest in the protection of life falls short of justifying any plenary override of individual liberty claims. See, *e.g.* *Cruzan* v. *Director, Missouri Dept. of Health*, 497 U.S. ——, ——. Finally, if *Roe* is classified as *sui generis*, there clearly has been no erosion of its central determination. It was expressly reaffirmed in *Akron* v. *Akron Center for Reproductive Health*, 462 U.S. 416 (*Akron I*), and *Thornburgh* v. *American College of Obstetricians and Gynecologists*, 476 U.S. 747; and, in *Webster* v. *Reproductive Health Services*, 492 U.S. 490, a majority either voted to reaffirm or declined to address the constitutional validity of *Roe*'s central holding. Pp. 14–17.

(g) No change in *Roe*'s factual underpinning has left its central holding obsolete, and none supports an argument for its overruling. Although subsequent maternal health care advances allow for later abortions safe to the pregnant woman, and post-*Roe* neonatal care developments have advanced viability to a point somewhat earlier, these facts go only to the scheme of time limits on the realization of competing interests. Thus, any later divergences from the factual premises of *Roe* have no bearing on the validity of its central holding, that viability marks the earliest point at which the State's interest in fetal life is constitutionally adequate to justify a legislative ban on nontherapeutic abortions. The soundness or unsoundness of that constitutional judgment is no sense turns on when viability occurs. Whenever it may occur, its attainment will continue to serve as the critical fact. Pp. 17–18.

(h) A comparison between *Roe* and two decisional lines of comparable significance—the line identified with *Lochner* v. *New York*, 198 U.S. 45, and the line that began with *Plessy* v. *Ferguson*, 163 U.S. 537—confirms the result reached here. Those lines were overruled—by, respectively, *West Coast Hotel Co.* v. *Parrish*, 330 U.S. 379, and *Brown* v. *Board of Education*, 347 U.S. 483—on the basis of facts,

or an understanding of facts, changed from those which furnished the claimed justifications for the earlier constitutional resolutions. The overruling decisions were comprehensible to the Nation, and defensible, as the Court's responses to change circumstances. In contrast, because neither the factual underpinnings of *Roe*'s central holding nor this Court's understanding of it has changed (and because no other indication of weakened precedent has been shown), the Court could not pretend to be reexamining *Roe* with any justification beyond a present doctrinal disposition to come out differently from the *Roe* Court. That is an inadequate basis for overruling a prior case. Pp. 19–22.

(i) Overruling *Roe*'s central holding would not only reach an unjustifiable result under *stare decisis* principles, but would seriously weaken the Court's capacity to exercise the judicial power and to function as the Supreme Court of a Nation dedicated to the rule of law. Where the Court acts to resolve the sort of unique, intensely divisive controversy reflected in *Roe*, its decision has a dimension not present in normal cases and is entitled to rare precedential force to counter the inevitable efforts to overturn it and to thwart its implementation. Only the most convincing justification under accepted standards of precedent could suffice to demonstrate that a later decision overruling the first was anything but a surrender to political pressure and an unjustified repudiation of the principle on which the Court staked its authority in the first instance. Moreover, the country's loss of confidence in the Judiciary would be underscored by condemnation for the Court's failure to keep faith with those who support the decision at a cost to themselves. A decision to overrule *Roe's* essential holding under the existing circumstances would address error, if error there was, at the cost of both profound and unnecessary damage to the Court's legitimacy and to the Nation's commitment to the rule of law. Pp. 22–27.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER concluded in Part IV that an examination of *Roe* v. *Wade*, 410 U.S. 113, and subsequent cases reveals a number of guiding principles that should control the assessment of the Pennsylvania statute:

(a) To protect the central right recognized by*Roe* while at the same time accommodating the State's profound interest in potential life, see, *id.*, at 162, the undue burden standard should be employed. An undue burden exists, and therefore a provision of law is invalid, if its purpose or effect is to place substantial obstacles in the path of a woman seeking an abortion before the fetus attains viability.

(b) *Roe's* rigid trimester framework is rejected. To promote the State's interest in potential life throughout pregnancy, the State may take measures to ensure that the woman's choice is informed. Measures designed to advance this interest should not be invalidated if their purpose is to persuade the woman to choose childbirth over abortion. These measures must not be an undue burden on the right.

(c) As with any medical procedure, the State may enact regulations to further the health or safety of a woman seeking an abortion, but may not impose unnecessary health regulations that present a substantial obstacle to a woman seeking an abortion.

(d) Adoption of the undue burden standard does not disturb *Roe's* holding that regardless of whether exceptions are made for particular circumstances, a State may not prohibit any woman from making the ultimate decision to terminate her pregnancy before viability.

(e) *Roe's* holding that "subsequent to viability, the State in promoting its interest in the potentiality of human life may, if it chooses, regulate, and even proscribe, abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life or health of the mother' is also reaffirmed. *Id.*, at 164–165. Pp. 27–37.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER delivered the opinion of the Court with respect to Parts V–A and V–C, concluding that:

1. As construed by the Court of Appeals, §3203's medical emergency definition is intended to assure that compliance with the State's abortion regulations would not in any way pose a significant threat to a woman's life or health, and thus does not violate the essential holding at *Roe*, *supra*, at 164. Although the definition could be interpreted in an unconstitutional manner, this Court defers to lower federal court interpretations of state law unless they amount to "plain" error. Pp. 38–39.

2. Section 3209's husband notification provision constitutes an undue burden and is therefore invalid. A significant number of women will likely be prevented from obtaining an abortion just as surely as if Pennsylvania had outlawed the procedure entirely. The fact that §3209 may affect fewer than one percent of women seeking abortions does not save it from facial invalidity, since the proper focus of constitutional inquiry is the group for whom the law is a restriction, not the group for whom it is irrelevant. Furthermore, it cannot be claimed that the father's interest in the fetus' welfare is equal to the mother's protected liberty, since it is an inescapable biological fact that state regulation with respect to the fetus will have a far greater impact on the pregnant women's bodily integrity than it will on the husband. Section 3209 embodies a view of marriage consonant with the common-law status of married women but repugnant to this Court's present understanding of marriage and of the nature of the rights secured by the Constitution. See *Planned Parenthood of Central Mo.* v. *Danforth*, 428 U.S. 52, 69. Pp. 46–58.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER, joined by JUSTICE STEVENS, concluded in Part V–E that all of the statute's recordkeeping and reporting requirements, except that relating to spousal notice, are constitutional. The reporting provision relating to the reasons a married woman has not notified her husband that she intends to have an abortion must be invalid because it places an undue burden on a woman's choice. Pp. 59–60.

JUSTICE O'CONNOR, JUSTICE KENNEDY, and JUSTICE SOUTER, concluded in Parts V–B and V–D that:

1. Section 3205's informed consent provision is not an undue burden on a woman's constitutional right to decide to terminate a pregnancy. To the extent *Akron I*, 462 U.S., at 444, and THORNBURGH, 476 U.S., at 762, find a constitutional violation when the government requires, as it does here, the giving of truthful, nonmisleading information about the nature of the abortion procedure, the attendant health risks and those of childbirth, and the "probable gestational age" of the fetus, those cases are inconsistent with *Roe's* acknowledgement of an important interest in potential life, and are overruled. Requiring that the woman be informed of the availability of information relating to the consequences to the fetus does not interfere with a constitutional right of privacy between a pregnant woman and her physician, since the doctor-patient relation is derivative of the woman's position, and does not underlie or override the abortion right. Moreover, the physician's First Amendment rights not to speak are implicated only as part of the practice of medicine, which is licensed and regulated by the State. There is no evidence here that requiring a doctor to give the required information would amount to a substantial obstacle to a woman seeking abortion.

The premise behind *Akron I*'s invalidation of a waiting period between the provision of the information deemed necessary to informed consent and the performance of an abortion, *id.*, at 450, is also wrong. Although §3205's 24-hour waiting period may make some abortions more expensive and less convenient, it cannot be said that it is invalid on the present record and in the context of this facial challenge. Pp. 39–46.

2. Section 3206's one-parent consent requirement and judicial bypass procedure are constitutional. See, *e.g.*, *Ohio* v. *Akron Center for Reproductive Health*, 497 U.S. ——, ——. Pp. 58–59.

JUSTICE BLACKMUN concluded that application of the strict scrutiny standard of review required by this Court's abortion precedents results in the invalidation of all the challenged provisions in the Pennsylvania statute, including the reporting requirements, and therefore concurred in the judgment that the requirement that a pregnant woman report her reasons for failing to provide spousal notice is unconstitutional. Pp. 10, 14–15.

THE CHIEF JUSTICE, joined by JUSTICE WHITE, JUSTICE SCALIA, and JUSTICE THOMAS, concluded that:

1. Although *Roe* v. *Wade*, 410 U.S. 113, is not directly implicated by the Pennsylvania statute, which simply regulates and does not prohibit abortion, a reexamination of the "fundamental right" *Roe* accorded to a woman's decision to abort a fetus, with the concomitant requirement that any state regulation of abortion survive "strict scrutiny," *id.*, at 154–156, is warranted by the confusing and uncertain state of this Court's post-*Roe* decisional law. A review of post-*Roe* cases demonstrates both that they have expanded upon *Roe* in imposing increasingly greater restrictions on the States, see *Thornburgh* v. *American College of Obstetricians and Gynecologists*, 476 U.S. 747, 783 (Burger, C.J., dissenting), and that the Court has become increasingly more divided, none of the last three such decisions having commanded a majority opinion, see *Ohio* v. *Akron Center for Reproductive Health*, 497 U.S. 502, *Hodgson* v. *Minnesota*, 497 U.s. 417, *Webster* v. *Reproductive Health Services*, 492 U.S. 490. This confusion and uncertainty complicated the task of the Court of Appeals, which concluded that the "undue burden" standard adopted by JUSTICE O'CONNOR in *Webster* and *Hodgson* governs the present cases, Pp. 1–8.

2. The *Roe* Court reached too far when it analogized the right to abort a fetus to the rights involved in *Pierce* v. *Society of Sisters*, 268 U.S. 510; *Meyer* v. *Nebraska*, 262 U.S. 390; *Loving* v. *Virginia*, 388 U.S. 1; and *Griswold* v. *Connecticut*, 381 U.S. 479, and thereby deemed the right to abortion to be "fundamental." None of these decisions endorsed an all-encompassing "right of privacy," as *Roe*, *supra*, at 152–153, claimed. Because abortion involves the purposeful termination of potential life, the abortion decision must be recognized as *sui generis*, different in kind from the rights protected in the earlier cases

under the rubric of personal or family privacy and autonomy. And the historical traditions of the American people—as evidenced by the English common law and by the American abortion statutes in existence both at the time of the Fourteenth Amendment's adoption and *Roe*'s issuance—do not support the view that the right to terminate one's pregnancy is "fundamental." Thus, enactments abridging that right need not be subjected to strict scrutiny. Pp 8–11.

3. The undue burden standard adopted by the joint opinion of JUSTICES O'CONNOR, KENNEDY, and SOUTER has no basis in constitutional law and will not result in the sort of simple limitation, easily applied, which the opinion anticipates. To evaluate abortion regulations under that standard, judges will have to make the subjective, unguided determination whether the regulations place "substantial obstacles" in the path of a woman seeking an abortion, undoubtedly engendering a variety of conflicting views. The standard presents nothing more workable than the trimester framework the joint opinion discards, and will allow the Court, under the guise of the Constitution, to continue to impart its own preferences on the States in the form of a complex abortion code. Pp. 22–23.

4. The correct analysis is that set forth by the plurality opinion in *Webster, supra*. A woman's interest in having an abortion is a form of liberty protected by the Due Process Clause, but States may regulate abortion procedures in ways rationally related to a legitimate state interest. P. 24.

5. Section 3205's requirements are rationally related to the State's legitimate interest in assuring that a woman's consent to an abortion be fully informed. The requirement that a physician disclose certain information about the abortion procedure and its risks and alternatives is not a large burden and is clearly related to maternal health and the State's interest in informed consent. In addition, a State may rationally decide that physicians are better qualified than counselors to impart this information and answer questions about the abortion alternatives' medical aspects. The requirement that information be provided about the availability of paternal child support and state-funded alternatives is also related to the State's informed consent interest and furthers the State's interest in preserving unborn life. That such information might create some uncertainty and persuade some women to forgo abortions only demonstrates that it might make a difference and is therefore relevant to a women's informed choice. In light of this plurality's rejection of *Roe*'s "fundamental right." approach to this subject, the Court's contrary holding in *Thornburgh* is not controlling here. For the same reason, this Court's previous holding invalidating a State's 24-hour mandatory waiting period should not be followed. The waiting period helps ensure that a woman's decision to abort is a well-considered one, and rationally furthers the State's legitimate interest in maternal health and in unborn life. It may delay, but does not prohibit, abortions; and both it and the informed consent provisions do not apply in medical emergencies. Pp. 24–27.

6. The statute's parental consent provision is entirely consistent with this Court's previous decisions involving such requirements. See *e.g., Planned Parenthood Association of Kansas City, Missouri, Inc.* v. *Ashcroft*, 462 U.S. 476. It is reasonably designed to further the State's important and legitimate interest "in the welfare of its young citizens, whose immaturity, inexperience, and lack of judgment may sometimes impair their ability to exercise their rights wisely," *Hodgson, supra*, at 444. Pp. 27–29.

7. Section 3214(a)'s requirement that abortion facilities file a report on each abortion is constitutional because it rationally furthers the State's legitimate interests in advancing the state of medical knowledge concerning material health and prenatal life, in gathering statistical information with respect to patients, and in ensuring compliance with other provisions of the Act, while keeping the reports completely confidential. Public disclosure of other reports made by facilities receiving public funds—those identifying the facilities and any parent, subsidiary, or affiliated organizations, §3207(b), and those revealing the total number of abortions performed, broken down by trimester, §3214(f)—are rationally related to the State's legitimate interest informing taxpayers as to who is benefiting from public funds and what services the funds are supporting; and records relating to the expenditure of public funds are generally available to the public under Pennsylvania law. Pp. 34–35.

JUSTICE SCALIA, joined by "THE CHIEF JUSTICE, JUSTICE WHITE, and JUSTICE THOMAS, concluded that a woman's decision to abort her unborn child is not a constitutionally protected "liberty" because (1) the Constitution says absolutely nothing about it, and (2) the longstanding traditions of American society have permitted it to be legally proscribed. See, *e.g., Ohio* v. *Akron Center for Reproductive Health*, 497 U.S.——, —— (SCALIA, J., concurring). The Pennsylvania statute should be upheld in its entirety under the rational basis test. Pp. 1–3.

O'CONNOR, KENNEDY, and SOUTER, JJ., announced the judgment of the Court and delivered the opinion of the Court with respect to Parts I, II, III, V–A, V–C, and VI, in which BLACKMUN and STEVENS, JJ., joined, an opinion with respect to Part V–E, in which STEVENS, J., joined, and an opinion with respect to Parts IV, V–B, and V–D. STEVENS, J., filed an opinion concurring in part and dissenting in part. BLACKMUN, J., filed an opinion concurring in part, concurring in the judgment in part, and dissenting in part. REHNQUIST, C. J., filed an opinion concurring in the judgment in part and dissenting in part, in which WHITE, SCALIA, and THOMAS, JJ., joined. SCALIA, J., filed an opinion concurring in the judgment in part and dissenting in part, in which REHNQUIST, C.J., and WHITE and THOMAS, JJ., joined.

A BALANCED BUDGET

Mr. PELL. Mr. President, I will vote for the proposal by the distinguished President pro tem of the Senate, Senator BYRD, requiring the President of the United States to submit to the Congress by September a plan to reduce the Federal Government deficits and balance the Federal budget over the next 5 years. I have in the past voted for a constitutional amendment requiring a balanced budget and I intend to vote again for such an amendment if in my view it is properly drafted.

It is clear, however, that the current effort to attach a constitutional amendment to another bill in the Senate as a rider, after it has been rejected by the House of Representatives is pure politics and will result in little more than delaying other legislation. The American people are tired of budget deficits, but I think they are even more tired of legislative gridlock that prevents the Congress from acting. Bringing up the constitutional amendment now, under these circumstances, just adds to legislative gridlock. For that reason and because Senator BYRD's proposal is entirely reasonable and constructive, I will vote for it.

TEMPORARY EXTENSION OF THE TRANSITION RULE FOR SEPARATE CAPITALIZATION OF SAVINGS ASSOCIATIONS' SUBSIDIARIES

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2905, a bill to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries, introduced earlier today by Senators RIEGLE and GARN, that the bill be deemed read three times; passed; the motion to reconsider be laid upon the table; and that any statements thereupon appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2905) was deemed read the third time and passed.

The preamble was agreed to.

The bill with its preamble is as follows:

S. 2905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(t)(5)(D)(ii) of the Home Owners' Loan Act (12 U.S.C. 1464(t)(5)(D)(ii)) is amended—

(1) by striking "June 30, 1992" and inserting "October 31, 1992"; and

(2) by striking "July 1, 1992" and inserting "November 1, 1992".

Mr. RIEGLE. Mr. President, under present law, if a federally insured savings association engages through a subsidiary in activities not permissible for a national bank, the savings association cannot count its investments in and extensions of credit to the subsidiary as part of its own capital. Congress adopted this rule in 1989 because of the record of significant losses by the thrifts making direct investments through subsidiaries. Principally, these nonconforming subsidiaries were engaged in real estate development.

Present law includes a transition rule permitting a savings association to include in its capital until July 1, 1992, 75 percent of its investments in and extensions of credit to a nonconforming subsidiary. That percentage will decline to 60 percent on July 1, 1992, 40 percent on July 1, 1993, and zero percent on July 1, 1994. The deduction of capital for purposes of this transi-

tion rule is in addition to the obligation of the institution to establish all appropriate reserves pursuant to general accepted accounting principles to fully reflect any losses incurred at the subsidiary.

In the RTC funding bill passed in March of this year by the Senate, at the request of the Director of the Office of Thrift Supervision who pointed to the nationwide drop in the commercial real estate values, there was a provision included to allow thrifts additional time to divest their real estate or otherwise comply with the provisions of section 5(t)(5) of the Home Owners' Loan Act. Among other things, the Senate RTC bill includes a provision that would postpone the effective date of the 60-percent rule from July 1, 1992, to October of 1992. At the time of the Senate's passage of this extension, it was anticipated that the House would have acted on RTC funding before the July 1, 1992, date which would be the date that the 60-percent rule otherwise becomes effective. The House, however, has not acted on a RTC bill and likely will not do so before July 1, 1992. Thus, this bill simply extends the time period under the transition rule in present law so that a savings association could include in its capital until October 31, 1992, 75 percent of its investments in and extensions to a nonconforming subsidiary. The 60-percent rule would become effective on November 1, 1992.

Mr. METZENBAUM. May I ask my friend, the Senator from Michigan, a question about his intentions on this extension of the effective date for the increased capital requirement for certain subsidiaries of savings associations? My understanding is that the rationale for this extension is that the poor state of the economy has made it more difficult for savings associations to sell their subsidiaries engaged in real estate development. However, I would hope and expect that the Senator from Michigan would not intend to support a further extension of the effective date in the future.

Mr. RIEGLE. I thank my friend for his interest in this issue, and commend him for all the efforts that he has made on the capital standards question since we worked together on FIRREA to put into place tough, real capital standards. It would not be my intention to seek a further extension of this transition rule, which requires thrifts to increase their capital deduction from 25 to 40 percent for investments in subsidiaries engaged in real estate development and other nonconforming activities.

However, as the Senator may recall, in the RTC funding bill that was passed this March by the Senate, one section of that bill gave the OTS Director the authority to grant certain well-run thrifts, on a case-by-case basis, the authority to continue to deduct only 25 percent of their investment in real estate subsidiaries through no later than July 1, 1994. I continue to support the adoption of that provision, and in a conference with the Members from the other body, will work to include it in a conference report.

Mr. METZENBAUM. I thank the Senator for his explanation.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on June 26, 1992, during the recess of the Senate, received a message from the President of the United States transmitting sundry nominations which were referred to the appropriate committees.

(The nominations received on June 26, 1992 are printed in today's RECORD at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 5:36 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 5099. An act to provide for the restoration of fish and wildlife and their habitat in the Central Valley of California, and for other purposes;

H.R. 5368. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes;

H.J. Res. 433. Joint resolution designating October 1992 as "National Domestic Violence Awareness Month";

H.J. Res. 457. Joint resolution designating January 16, 1993, as "Religious Freedom Day"; and

H.J. Res. 499. Joint resolution designating July 2, 1992, as "National Literacy Day."

MEASURES REFERRED

The following bills and joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.R. 5099. An act to provide for the restoration of fish and wildlife and their habitat in the Central Valley of California, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 5368. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

H.J. Res. 433. Joint resolution designating October 1992 as "National Domestic Violence Awareness Month"; to the Committee on the Judiciary.

H.J. Res. 457. Joint resolution designating January 16, 1993, as "Religious Freedom Day"; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3489. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual Animal Welfare Enforcement Report for fiscal year 1991; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3490. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, notice of the intention of the Department to obligate certain funds pursuant to an agreement between the Department of Defense and the Russian Federation concerning chemical weapons destruction; to the Committee on Appropriations.

EC-3491. A communication from the Assistant Secretary of the Army (Financial Management), transmitting, pursuant to law, a report on the value of property, supplies, and commodities provided by the Berlin magistrate for the quarter ended March 31, 1992; to the Committee on Armed Services.

EC-3492. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice that the President has determined that it is in the national interest to remove Albania, Armenia, Azerbaijan, Bulgaria, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Romania, Russia, Ukraine, and Uzbekistan from the application of certain provisions of the Trade Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3493. A communication from the President and Chairman of the Import-Export Bank of the United States, transmitting, pursuant to law, the semiannual report on tied aid credits dated June 1992; to the Committee on Banking, Housing, and Urban Affairs.

EC-3494. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the effectiveness of international fishery agreements for highly migratory species; to the Committee on Commerce, Science, and Transportation.

EC-3495. A communication from the Secretary of Transportation, transmitting, pursuant to law, notice of his determination that the security problems that existed at Ezeiza International Airport, Buenos Aires, Argentina, have been corrected; to the Committee on Commerce, Science, and Transportation.

EC-3496. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice of the waiver of certain provisions of the Trade Act with respect to Tajikistan and Turkmenistan; to the Committee on Finance.

EC-3497. A communication from the Administrator of the Agency for International Development, transmitting, pursuant to law, the country allocation report for Development Assistance, Special Assistance Initiatives and International Organizations and Programs; to the Committee on Foreign Relations.

EC-3498. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to June 18, 1992; to the Committee on Foreign Relations.

EC-3499. A communication from the Secretary of the Treasury as Chairman of the National Advisory Council on International

Monetary and Financial Policies, transmitting, pursuant to law, the annual report of the Council for fiscal year 1990; to the Committee on Foreign Relations.

EC-3500. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-224 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3501. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-225 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3502. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-226 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3503. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-227 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3504. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-228 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3505. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-229 adopted by the Council on June 2, 1992; to the Committee on Governmental Affairs.

EC-3506. A communication from the Assistant Vice President of the Western Farm Credit Bank (Human Resources), transmitting, pursuant to law, the annual pension report of the Sacramento Farm Credit Employee's Retirement Plan for 1991 and the financial statements of the Eleventh Farm Credit District Employees' Retirement Plan for plan years 1990 and 1991; to the Committee on Governmental Affairs.

EC-3507. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Environmental Protection Agency, for the period ended March 31, 1992; to the Committee on Governmental Affairs.

EC-3508. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of Council Resolution 9-274 agreed to by the Council on June 23, 1992; to the Committee on Governmental Affairs.

EC-3509. A communication from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 5, United States Code, to encourage the voluntary separation of civilian employees of the Department of Defense, and for other purposes; to the Committee on Governmental Affairs.

EC-3510. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, a report on the conference held in Tucson, Arizona relative to the Self-Governance Demonstration Program; to the Select Committee on Indian Affairs.

EC-3511. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, the semiannual report on the Tribal Self-Governance Demonstration Project; to the Select Committee on Indian Affairs.

EC-3512. A communication from the Assistant Attorney General (Legislative Affairs), transmitting a draft of proposed legislation to reauthorize the Office of Justice Programs, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Deliquency Prevention, and for other purposes; to the Committee on the Judiciary.

EC-3513. A communication from the Attorney for the National Council on Radiation Protection and Measurements, transmitting, pursuant to law, the annual audit report of the Council for calendar year 1991; to the Committee on the Judiciary.

EC-3514. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding priority—Technology, Educational Media, and Materials for Individuals With Disabilities Program; to the Committee on Labor and Human Resources.

EC-3515. A communication from the President of the United States Institute for Peace, transmitting, pursuant to law, the third Biennial Report of the United States Institute of Peace; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BURDICK:

S. 2902. An original bill to authorize research into the desalinization of water and water reuse and to authorize a program for states, cities, or any qualifying agency which desires to own and operate a desalinization or water reuse facility to develop such facilities; from the Committee on Environment and Public Works; placed on the calendar.

By Mr. DURENBERGER (by request):

S. 2903. A bill to extend and amend the Rehabilitation Act of 1973, to improve Rehabilitation Act of 1973, to improve rehabilitation services for individuals with disabilities to modify certain discretionary grant programs providing essential services and resources specifically designed for individuals with disabilities, to change certain technology, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MURKOWSKI:

S. 2904. A bill to amend the Internal Revenue Code of 1986 to permit rollovers into individual retirement accounts of separation pay from the Armed Forces; to the Committee on Finance.

By Mr. RIEGLE (for himself and Mr. GARN):

S. 2905. A bill to provide a 4-month extension of the transition rule for separate capitalization of savings associations' subsidiaries; considered and passed.

By Mr. PELL:

S. 2906. A bill to promote and encourage alternative nondefense uses of defense industrial facilities, to create a Defense Economic Adjustment Trust Fund, to provide assistance for the retraining of currently employed defense workers, and to assist in providing continuity of certain benefits for defense workers whose employment is terminated; to the Committee on Armed Services.

By Mr. KERRY (for himself and Mr. CRANSTON):

S. 2907. A bill to reform the National Flood Insurance Program; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SIMON:

S. 2908. A bill to amend the Public Health Service Act to provide reasonable assurances that human tissue intended for transplantation is safe and effective, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURENBERGER (by request):

S. 2903. A bill to extend and amend the Rehabilitation Act of 1973, to improve rehabilitation services for individuals with disabilities, to modify certain discretionary grant programs providing essential services and resources specifically designed for individuals with disabilities, to change certain terminology, and for other purposes; to the Committee on Labor and Human Resources.

REHABILITATION ACT AMENDMENTS

• Mr. DURENBERGER. Mr. President, I am introducing this bill to reauthorize and revise the Rehabilitation Act of 1973 at the request of the administration.

I want to commend President Bush, Secretary Alexander, Assistant Secretary of Special Education and Rehabilitative Services, Robert Davilla, and Commissioner of Rehabilitative Services, Nell Carney, for the hard work that they have put into this document.

Although this bill is not as far reaching in scope as the bill that Senator HARKIN and I plan to introduce later this month, there are many thoughtful provisions in it that we plan to adopt, and we appreciate the administration's prompt effort in coming forth with legislation.

In the reauthorization thus far we have been in close consultation with the Office of Rehabilitative Services, and we look forward to continuing our productive working relationship through the end of the reauthorization process.

Mr. President, I ask unanimous consent that a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE REHABILITATION ACT AMENDMENTS OF 1991

TITLE I—TERMINOLOGY

Section 2. Section 2 of the bill would amend the Rehabilitation Act of 1973 (the "Act") throughout to replace the term "handicap," in all its various forms, where it is used as a synonym for "disability" or to describe an individual or individuals. This change is in conformance with the nomenclature used in the Americans with Disabilities Act and in other Federal statutes. Similarly, section 2 would replace the terms "the blind" and "the deaf", with "individuals who are blind" or "individuals who are deaf", where they are used to describe an individual.

Section 3. Section 3 of the bill would amend the Act in various places to replace

the term "rehabilitation engineering services," where appropriate, with "assistive technology devices and services" in order to reflect the changed nomenclature of the Technology-Related Assistance for Individuals with Disabilities Act of 1988. Section 3 would also add the definition "assistive technology devices and services" to section 7 of the Act, and would also alphabetize the listed terms in section 7.

Section 4. Section 4 of the bill would amend section 502 of the Act (Architectural and Transportation Barriers Compliance Board) to change the reference to the agency from the "Board" to the "Access Board." The designation "Access Board" more appropriately identifies the agency's statutory mandate and commitment to accessibility.

TITLE II—PROGRAM AMENDMENTS

Section 11. Section 11 of the bill would amend section 7(10) of the Act, as redesignated, to simplify and slightly decrease the Federal share of the costs of the basic State vocational rehabilitation grant. There would be no change for FY 1993 from current law (the approximate overall Federal share for FY 1993 would be 78.7 percent). The Federal share would be 78 percent for fiscal years 1994 and 1995, and 77 percent for fiscal years 1996 and 1997. (The State match for FY 1993 would be approximately 21.3 percent. It would be 22 percent for fiscal years 1994 and 1995, and 23 percent for fiscal years 1996 and 1997.)

Section 12. Section 12(a)(1) of the bill would amend section 101(a)(11) of the Act to update the current reference to the "Education of the Handicapped Act" to the "Individuals with Disabilities Education Act", and the reference to the "Carl D. Perkins Vocational Education Act" to the "Carl D. Perkins Vocational and Applied Technology Education Act". Section 12(a)(2) of the bill would amend section 101(a)(24) of the Act to make it clear that each State's plan requirement for plans and policies to assist in the transition from education to employment services shall include specific plans for coordination with educational agencies.

Section 12(b) of the bill would amend section 103(a)(3) of the Act to clarify that services to assist students in the transition from school to employment are within the scope of the vocational and other training services authorized under the Act.

Section 12(c)(1) of the bill would amend section 311(e) of the Act to make demonstration grants for model statewide transitional planning services discretionary, rather than mandatory. Section 12(c)(2) would repeal sections 311(e) (3) and (4) of the Act, which require that a certain number of these demonstration grants be made to agencies in New England and to rural Western States. These one-time mandated grants have been awarded.

Section 13. Section 13 of the bill would amend section 102(b)(1) of the Act to emphasize the client's role in the rehabilitation process and to ensure full client participation in the individualized written rehabilitation program (IWRP) process, particularly in regard to the selection of the vocational objective to be attained and the services to be provided. Section 102(a) of the Act requires an IWRP to be developed jointly by the vocational rehabilitation counselor and the individual with disabilities (or, in appropriate cases, the individual's parents and guardians). Section 102(b) of the Act does not, however, contain any specific IWRP requirements that ensure the client's involvement as a full partner in the rehabilitation process. The program regulations (34 C.F.R. 361.41(a)(8)) implementing this provision require only that the IWRP contain the views of the individual with handicaps concerning the individual's goals, objectives, and the vocational rehabilitation services to be provided under the IWRP. The amendment would require documentation of the involvement of the individual with a vocational disability.

Section 14. Section 14 of the bill would amend Title I of the Act to add a new section 105, requiring the development and implementation of evaluation standards and performance indicators for the Title I vocational rehabilitation program. The standards and indicators would include outcome and other related measures of program performance. The standards and indicators would be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, and recipients of vocational rehabilitation services. The standards and indicators would be used to evaluate program performance and would provide information to assist State VR agencies to improve their Title I vocational rehabilitation program.

The amendment would provide for a process (based on the process currently in place for Chapter I of Title I of the Elementary and Secondary Education Act of 1965) of monitoring and enforcing the standards and indicators. This process would require any non-complying State to enter into a program improvement plan, and would permit the Secretary to reduce or withhold funds only if the State fails to enter into a program improvement plan or fails to comply substantially with the terms and conditions of the program improvement plan. As long as the State is carrying out its improvement plan and making progress toward meeting the performance standards, there would be no need to assess penalties or withhold funds. This approach would ensure that a cooperative and collaborative relationship exists between the State and the Department with respect to program improvement.

The Department intends to publish the proposed indicators for public comment and to publish the results, including an analysis of program performance based on the standards and indicators, in its annual report to Congress under section 13 of the Act.

Section 15. Section 15 of the bill would amend section 110 of the Act to make uniform the references to the authorization of appropriations in section 100(b), and to delete provisions in paragraph (a)(4) and subsection (b) that are no longer necessary.

Section 16. Section 16 of the bill would amend section 111(a)(2)(B) of the Act to provide that expenditures from non-Federal sources under the State plan for fiscal year 1993 and succeeding fiscal years shall be no less than 100 percent of the non-Federal expenditures of the second prior fiscal year.

Section 17. Section 17(a) of the bill would add a new section 19 to the Act to require that any project, program, or facility that provides services to individuals with disabilities under the Act shall advise such individuals, or their guardians or legal representatives, of the availability and purposes of the Client Assistance Program under section 112 of the Act. Section 17(*b*) of the bill would change section 102(b)(1)(I) of the Act to correct a reference to the Client Assistance Program.

Section 17(c) of the bill would amend section 112(e)(1)(D) of the Act to correct a subsection reference and to eliminate the use of the percentage increase in the Consumer Price Index published monthly by the Bureau of Labor Statistics in determining whether the Commissioner may increase the minimum allotment to States and territories for this program for any fiscal year. Section 17(c)(2) of the bill would eliminate reference to a reporting requirement that has already been met by the Department.

Section 18. Sections 18(a), (b), and (c) of the bill would amend section 7(9), as redesignated, and section 101(a)(5)(B) of the Act to ensure the incorporation of supported employment services into the State vocational rehabilitation delivery system. Section 18(a) of the bill would amend section 7(9), as redesignated, to include within the meaning of the term "evaluation of rehabilitation potential" an assessment of an individual's potential for supported employment.

Section 18(b) of the bill would amend sections 101(a)(5)(B) (State plan assurances on services to individuals with the most severe disabilities) and section 101(a)(25) (assurance that the State has an acceptable plan for Title VI–C) of the Act, respectively, to make clear that Title VI–C funds are to be used to supplement Title I funds for the cost of services leading to supported employment.

Section 18(c) of the bill would amend section 103(a)(1) of the Act to clarify that an assessment of an individual's potential for supported employment is within the scope of vocational rehabilitation services in evaluating rehabilitation potential.

Section 18(d) of the bill would eliminate section 311(d)(1)(B) of the Act, which requires that at least one demonstration supported employment grant be nationwide in scope. Section 18(d) would also eliminate section 311(d)(2)(B) of the Act which requires that at least one technical assistance grant implementing the supported employment program be nationwide in scope. These one-time mandated grants have been awarded.

Section 18(e) of the bill would make a technical change to section 631 of the Act by striking out the phrase "training and traditionally time-limited post-employment," in order to eliminate confusion relating to the term "post-employment services" used in Title I.

Section 18(f) of the bill would make technical changes to section 633(a)(2)(B) of the Act and eliminate outdated section 633(c) of the Act, which authorizes planning grants in lieu of an allotment in the first fiscal year in which appropriations were made pursuant to section 638 of the Act.

Section 18(g) of the bill would make technical changes to sections 634(a)(1) and (b)(3) of the Act by striking out the phrase "training and traditionally time-limited post-employment", in order to eliminate confusion relating to the term "post-employment services" used in Title I. Section 18(g)(4)(E) would amend section 634(b)(3) of the Act to add a new subparagraph (G) to that section of the Act, which would require an assurance that funds received under the supported employment program would be used to supplement Title I funds. Section 18(g) would also amend sections 634(b)(2)(B), (b)(3)(D), and (b)(4) of the Act to make several technical and conforming changes.

Section 18(h) of the bill would amend section 635(b) of the Act to make a number of technical and conforming changes, including striking out the phrase "training and traditionally time-limited post employment".

Section 18(i) of the bill would amend section 637 to make several technical and conforming changes, including striking out the phrase "training and traditionally time-limited post-employment."

Section 19. Section 19 of the Act would repeal section 131 of the Act, which requires a

study of the special problems and needs of Indians with disabilities. This one-time mandated study has been done.

Section 20. Section 20(a)(1)(A) of the bill would amend section 202(d) of the Act to emphasize NIDRR's authority to award research fellowships to individuals with disabilities. Section 20(a)(1)(B) would amend section 202(f) of the Act to allow up to ten percent of appropriated funds in any fiscal year to be expended directly for carrying out the Director's authorities under section 202. Section 20(a)(1)(C) would eliminate one-time mandated requirements in sections 202(j), (l), and (m) of the Act.

Section 20(a)(2)(A)(i) of the bill would amend sections 204(b)(1) and (2) of the Act to require that Rehabilitation Research and Training Centers (RRTCs) and Rehabilitation Engineering Research Centers, renamed Rehabilitation Technology Research Centers (Tech Centers), be affiliated with institutions of higher education. Section 20(a)(2)(B) would amend section 204(b)(2) of the Act to require the provision of training in rehabilitation research by Tech Centers. The revised language eliminates the outdated requirement that two specific Tech Centers be established in fiscal year 1987.

Section 20(a)(2)(D) of the bill would amend section 204(b)(3) of the Act by transferring the authority for spinal cord injury projects and demonstrations, currently under section 311 of the Act, to NIDRR, under its related spinal cord injury program authority in section 204(b)(3) of the Act. The section 311 authority would be deleted. Although NIDRR administers the spinal cord injury program, funds have historically been appropriated under section 311.

Section 20(b) of the bill would amend section 7 of the Act to add a definition of "affiliation". For the purposes of sections 204(b)(1) and (2) of the Act, affiliation would mean a written agreement between a Center and one or more institutions of higher education that describes procedures for provision of the research training required for such Center under such section. The agreement could also include other activities that the Center determined might be needed to improve the effectiveness and quality of its program.

Section 21. Section 21(1) of the bill would amend section 304(b)(3)(A) of the Act to require scholarship recipients to complete their employment obligation within the required number of years plus two years after completing their training, and to allow part-time employment to count toward satisfying their employment obligation. Section 21(2)(A) would amend section 304(d)(1) of the Act to eliminate the cap of not more than 12 programs established or assisted by grants to train interpreters. Section 21(2)(B) would eliminate section 304(d)(2)(D) of the Act, which requires applicants for grants to assure to the Secretary that, to the extent appropriate, they will provide for the training and retraining of teachers who are not certified as teachers of individuals who are deaf. This activity is more appropriately conducted under the Individuals with Disabilities Education Act.

Section 22. Sections 22(1) and (2) of the bill would amend section 311 of the Act, Special Demonstration Programs, to remove the NIDRR authority for special projects and demonstrations for spinal cord injuries, so that it can be consolidated, in section 20(a)(2)(D) of the bill, with a related NIDRR spinal cord program authority under section 204(b)(3) of the Act.

Section 22(2) of the bill would also add a new subsection to section 311 of the Act, authorizing the Commissioner to make grants to States and public and nonprofit agencies and organizations, including vocational rehabilitation agencies, to demonstrate ways to increase client choice in the rehabilitation process. The funds awarded under this subsection would be used only for new projects to support activities directly related to planning, operating, and evaluating such demonstrations.

Section 23. Section 23(1)(A) of the bill would amend section 316(a)(1) of the Act to remove the authority of the Commissioner to pay all of the costs of special recreation programs, to expand the program purpose to include activities that further the employment of individuals with a vocational disability, and to specifically identify vocational skills development as an authorized program activity. Section 23(1)(B) would limit grants to three years, after which they would not be renewable. Section 23(1)(C) would amend section 316(a)(3) of the Act to eliminate the reference to children and school hours. Section 23(1)(D) would add new paragraph (4) to section 316(a) of the Act to require applications to contain a description of how the service program will continue after Federal assistance ends.

Section 23(3) would add new subsections (b) and (c) to section 316 of the Act to require that projects, at a minimum, maintain the same level of service over the entire project period and to provide for the Federal share of program costs to decrease over a three year period (80 percent the first year, 60 percent the second year, and 40 percent the third year).

Section 24. Section 24 of the bill would amend Title V of the Act to change the name of the title from "Miscellaneous" to the more appropriate "Access", repeal outdated section 500, and make technical changes.

Section 24(3) would amend section 501(a) of the Act to include the Director of the Office of Personnel Management (the "Director") on the Interagency Committee on Handicapped Employees (the "Committee") and to replace the Secretary of Education with the Director as a co-chairperson of the Committee.

Section 25. Section 25 of the bill would amend section 502 of the Act as follows:

Section 25(1) would amend section 502(a) to add an additional federal agency, the Department of Commerce, to this list, which would then provide for representation by twelve federal agencies. The addition of the Department of Commerce would allow for representation of a broad spectrum of business interests.

Section 25(1) would provide for an increase in the number of presidential appointees to the Board from among the general public. This would maintain the current ratio of members appointed by the President from the general public to those members designated as a result of federal agency representation.

Section 25(1) would provide that at least one half, rather than the current six, of the members of the Board appointed by the President will be individuals with disabilities. This would allow for Board expansion.

Section 25(1) would increase the length of the term for each Board member to a term of four years, rather than the currently mandated three, and to provide that the terms of at least three members will expire each year. Section 25(1) would also provide for four year terms for the members as opposed to three year terms which would strengthen the agency through continued participation, by experienced members of the Board, in the goals and objectives of the agency.

Section 25(2) would amend section 502(b) to reorganize this series of functions in section 502(b). Also, the agency's mandate to provide technical assistance in current subparagraph (d)(3) would be moved to current subparagraph (b)(2), and the provision regarding technical assistance would be further revised to include the agency's mandate to provide technical assistance under the Americans with Disabilities Act. The bill further clarifies that the agency will establish and maintain the guidelines (as opposed to standards) issued under both the Architectural Barriers Act and Titles II and III of the Americans with Disabilities Act.

Section 25(2) would provide that, as a part of its mandate, the Board will promote accessibility throughout all segments of society. Currently, the mission of the Board includes providing technical assistance and proposing alternative solutions to barriers which disabled individuals face in housing, transportation, communication, education, recreation and attitudes. The Board is a major source for accessibility solutions, material and information. The agency is charged with the duty to promote the International Accessibility Symbol in all public facilities that are in compliance with the standards adopted by the four standard setting agencies. With the passage of the Americans with Disabilities Act, the Access Board will develop and maintain guidelines for accessibility which will be the basis for standards which will directly impact the general business community and public. Heretofore, the guidelines issued by the agency were limited to those facilities covered by the Architectural Barriers Act. The addition of the function to promote accessibility proposed in the bill recognizes the role of the Access Board as a lead agency in providing technical assistance to a broad spectrum of public individuals and entities and promoting accessibility throughout all segments of society.

Section 25 (3) and (4) would amend sections 502 (d) and (f) to move the remainder of the current provisions contained in subparagraph (d)(3) relating to interagency agreements and technical assistance to subparagraph (f)(1) and make a number of technical and editorial changes.

Section 25(4)(C)(ii) would eliminate the reference to Secretary in (f)(2) and inserting in lieu thereof Chairperson. With the independent status of the Board, the Secretary is no longer the appropriate figure to determine compensation rates for technical experts.

Section 25(5) would amend section 502(g) to eliminate two provisions relating to reports which were to have been submitted in 1975 and 1988. These requirements are being deleted as they are outdated.

Section 25(6) would amend section 502(h) to eliminate provisions regarding and referencing a report previously required and which has been submitted. Also, section 25(6) would authorize gift acceptance authority for the Board in limited instances. The language of the bill limits the application of funds or gifts received pursuant to the authority in that the funds would not be available to or utilized for the compliance and enforcement function of the agency. This limitation is in strict compliance with the requirement of subparagraph (d)(3) of the section that the Board will establish a procedure to ensure separation of its compliance and technical assistance responsibilities. The authority to accept funds from outside the agency's fiscal authorization through private sector initiatives would provide an excellent vehicle to better achieve the mandate of the Board in

promoting accessibility and providing technical assistance.

Section 25 would also make a number of technical and editorial changes.

Section 26. Section 26 of the bill would update section 508 of the Act. Current law refers to dates and deadlines that have already been met, and fails to take into account technological changes that have occurred and that are likely to occur in the future. It focuses on hardware, while the issues regarding electronic accessibility have shifted to software, interface systems, and operating systems. Updating section 508 would help ensure that persons with disabilities have comparable access to electronic information and data.

Section 27. Section 27 of the bill would amend section 621 of the Act, the Projects With Industry Program, to eliminate certain outdated provisions, including, in section 621(d)(1), the 1985 date for developing and publishing program evaluation standards; section 621(d)(2), which requires a comprehensive evaluation of the Projects With Industry Program by 1986; section 621(d)(3), which requires the Commissioner to obtain and consider certain recommendations in developing program evaluation standards; in section 621(f)(1), the provision requiring publication of minimum compliance indicators in the Federal Register; in section 621(f)(3), the provision requiring the Commissioner to have conducted certain on-site compliance reviews by the end of fiscal year 1991; section 621(h), which establishes certain funding requirements for fiscal year 1990, and requires the Secretary to continue to fund, for four more years, grantees that received program assistance in 1986, provided they comply with their approved grant applications and program evaluation standards.

Section 27(2) would amend section 621(e)(1), which allows grants awards to be made for a period of five years and to require the Commissioner to use compliance indicators that are consistent with program evaluation standards to assess minimum project performance for purposes of making continuation awards in the third, fourth, and fifth years.

Section 27(6) of the bill would amend section 621 of the Act, Projects With Industry, to authorize the Commissioner to make grants to a partnership or consortium that includes a private business concern or industry to develop three-year, model demonstration projects that give underemployed workers with disabilities, whether employed part-time or full-time, the opportunity to acquire the knowledge and skills needed to adapt to emerging new technologies, work methods, and markets. The Projects With Industry (PWI) program provides persons with vocational disabilities training and experience in realistic work settings to prepare them for employment in the competitive labor market. Although this program has been successful in placing disabled persons into employment, current statutory requirements limit the programs ability to serve disabled workers, already employed, who need new or upgraded skills to compete and advance in employment. Underemployment contributes to the low economic status of many workers with disabilities. This new subsection would help to meet the National Education Goal of life-long learning through the development of model demonstration projects targeted at upgrading the skills of underemployed workers with disabilities.

Section 28. Section 28 of the bill would amend Title VII (Comprehensive Services for Independent Living) of the Act in the following ways:

Section 28(1) would repeal sections 701 (the purpose provisions) and section 706 (State Independent Living Council) of the Act. New purpose provisions would be added by section 28(2) of the bill, and a new section requiring State Independent Living Councils would be added by section 28(8) of the bill.

Section 28(2) would add a new purpose provision before the Part A designation in order to clarify that such purposes apply to the whole Title and not just to the State grant program for comprehensive services for independent living. Section 28(2) would also revise the purposes provision to authorize grants for independent living services; promote the independence of individuals with severe disabilities; and promote consumer control, equal access, self-help, and self advocacy for such individuals.

Section 28(3)(A) would amend section 702(a) of the Act to revise the first sentence to clarify that independent living services under part A are to be provided to individuals with severe disabilities, as defined in section 7(14) of the Act, as redesignated.

Section 28(3)(B) would amend section 702(b) of the Act to provide that the term "comprehensive services for independent living" includes, at a minimum, independent living skills training, information and referral services, peer counseling, and individual advocacy training and may include any of the independent living services specified in current sections 702(b) and 711(c)(2).

Section 28(4)(A) would eliminate current section 705(a)(4) of the Act, which requires that State plans for independent living will assure that an individualized written rehabilitation program be developed for each individual eligible for services under this part. Section 28(8) of the bill would add a new section of the Act that would require an individualized written independent living rehabilitation plan for all individuals who receive services under parts A, B, and C of Title VII.

Sections 28(4) (A) and (B) of the Act would revise section 705(a)(5) of the Act to require a State, in its plan, to respond to, rather than to assure it will consider, the recommendations made by the State Independent Living Council (SILC) and to describe how services provided under Part A of the title will be coordinated with, or complement, services provided under Parts B and C; and would redesignate paragraph (5), as amended, as paragraph (4).

Section 28(4)(D) would add a new section 705(a)(9) of the Act, as redesignated by the bill, requiring an application for assistance under Part A to contain an assurance that the State will compile and maintain statistical data and information for each fiscal year for each program and project it operates or administers under the part, whether directly or through subgrants and contracts. The data would include information on the number and types of individuals with a severe disability receiving services; the types of services provided and the number of individuals with a severe disability receiving each type of service; the amounts and percentages of resources committed to each type of service provided; actions taken to employ, and advance in employment, qualified individuals with a severe disability; and a comparison, when appropriate, of prior year(s) activities with the most recent year's activities.

Section 28(4)(F) of the bill would redesignate section 705(a)(10) of the Act as section 705(a)(11). Section 28(4)(F) would add a new section 705(a)(10) of the Act, requiring an application for assistance under Part A to provide assurances that the State will provide services that contribute to the maintenance of or the increased independence of individuals with a severe disability; engage in capacity-building activities, activities to promote community awareness, involvement, and assistance, and outreach efforts; other information will be submitted in such form and in accordance with such procedures as the Commissioner may require; and seek to incorporate any new methods and approaches relating to services into its State plan. Section 28(4)(G) of the bill would amend section 705(a)(11) of the Act, as redesignated by the bill, to require such other assurances as the Commissioner may require.

Section 28(5)(A) would amend section 711(a) of the Act to specify that services may be provided under Part B to any individual with a severe disability, as defined in section 7(14)(B) of the Act, as redesignated.

Section 28(5)(B)(ii) would amend section 711(b)(3) of the Act to require applications for Part B assistance to contain assurances that each Center for Independent Living (CILs) will have a board that functions as its principal governing body and that is composed of a majority of individuals with severe disabilities.

Section 28(5)(B)(iii) would amend section 711(b) of the Act to add new paragraphs (4) and (5) requiring applications for Part B assistance, respectively, to contain a description of how each CIL's proposed activities are consistent with the most recent three-year State plan for providing comprehensive independent living services and contain assurances that each CIL will provide services for individuals with different types of severe disabilities and that eligibility for services at any CIL will not be based upon the presence of any one or more specific disability.

Section 28(5)(C) would revise section 711(c) of the Act, requiring certain application assurances, to require an application by a public or nonprofit agency or organization for a part B grant to contain assurances that each center will provide independent living skills training, information and referral services, peer counseling, and individual advocacy training for individuals with a severe disability to enhance their independence. Assurances would also be required that each center would provide a combination of any other independent living services specified in current sections 702(b) and 711(c)(2) of the Act, as appropriate; and assurances that the grantee will submit a report, at the end of each fiscal year, for each program and project it operates or administers under this part, whether directly or through subgrants and contracts, that contains, at a minimum, certain information and assurances similar to that required by section 28(4) (D) and (F) of the bill under section 705(a) of the Act.

Sections 28(5) (D) and (E) would redesignate section 711(e) through (h) of the Act and add a new subsection (e) to require that centers funded under Part B submit copies of their approved grant applications and annual reports required under paragraph (g)(1) to their respective State Independent Living Councils.

Section 28(5)(F) would amend section 711(f) of the Act, as redesignated (current section 711(e)) to eliminate paragraph (1), which requires the Commissioner to develop and publish program evaluation standards by 1985, and paragraph (2), which requires the Commissioner to conduct a comprehensive evaluation of the CIL program by 1986. Section 28(5)(F)(i) would add a new paragraph (1) requiring the Commissioner to develop and publish in the Federal Register such stand-

ards and indicators of what constitutes minimum compliance with such standards as may be necessary to evaluate each center's performance, consistent with the requirements of section 711(c)(2) of the Act. Section 28(5)(F) would also make a number of additional conforming amendments.

Section 28(5)(G) would also revise sections 711(g) and (h) of the Act, as redesignated (current sections 711(f) and (g)) in the following ways:

Current paragraph (f) requires publication in the Federal Register of indicators of minimum compliance by centers, requires grantees to report to the Commissioner on compliance with evaluation standards, requires certain on-site compliance reviews, and requires compliance analysis in the annual report to Congress. As amended in section 28(5)(F) of the bill, subsection (g), as redesignated, would require: (1) grantees to provide a report to the Commissioner at the end of each fiscal year that contains, for each center operated or administered by the grantee, the data described in section 711(c)(2) of the Act and the extent to which it is in compliance with the evaluation standards developed under subsection (f)(1), as redesignated; (2) the Commissioner to annually conduct, on a random basis, on-site compliance reviews of at least 15 percent of the centers that receive funds under this part; and (3) the Commissioner, in the annual report required under section 13 of this Act, to include an analysis of the data required in subsection (g)(1) and the extent to which centers receiving funds under this part have complied with the evaluation standards. The Commissioner may identify individual centers in the analysis. The Commissioner shall report the results of on-site reviews, identifying individual grantees and centers. The subsection would retain the provision that at least one member of an on-site compliance review team shall be a non-Federal employee with experience or expertise in the provision of independent living services.

Current paragraphs (g)(1), (2), and (4) contain outdated requirements which would be removed. As amended in section 28(5)(F) of the bill, paragraph (h), as redesignated by the bill, would, in essence, retain the current paragraph (g)(3) requirement that new grant awards be made on a competitive basis, to include, if appropriate, consideration of past performance.

Section 28(6)(A) would amend section 721(a) to require grants for independent living services for older individuals who are blind to include independent living skills training, information and referral services, peer counseling, and individual advocacy training and authorize any other independent living services listed in current sections 702(b) and 711(c)(2).

Section 28(6)(B) would amend section 721(b) to require that applications for grants under this section contain assurances that the grantee will submit a report, at the end of each fiscal year, for each project or program it operates or administers under this part, whether directly or through subgrants and contracts, that contains, at a minimum, certain information and assurances similar to that required by sections 28(4)(D) and (F) and (5)(B) of the bill for sections 705(a) and 711(c) of the Act, respectively; that the application is consistent with the three-year State plan for providing comprehensive services for independent living required by section 705 of this title; and such other information and assurances, submitted in such form and in accordance with such procedures, as the Commissioner may require. Section 28(B) would also require grantees to submit copies of their approved applications and annual reports to their State Independent Living Councils.

Section 28(7) would amend Part D of the title (General Provisions) to change its part heading to "Protection and Advocacy" and to repeal section 732 of the Act. Section 732 of the Act (Employment of Individuals with Handicaps) would be moved, under section 27(8) of the bill, to a new part E (General Provisions) of the Act.

Section 28(8) of the bill would make part E (Authorizations) part F and make conforming changes.

Section 27(9) of the bill would add a new part E to Title VII. New part E would contain the following:

New section 741 of the Act would incorporate current section 706, the State Independent Living Council, but expand its role in the planning process and broaden the scope of its activities to include Parts B and C. It would also change the time period for the plan from five years to three years and require the Councils to provide an opportunity for public comment.

New section 742 of the Act would require recipients of grant assistance under parts A, B, and C of this title to ensure that an individualized written independent living rehabilitation plan be developed for each individual they served. This requirement broadens the provisions currently in section 705(a)(4) of the Act. Such plan would be required to address the individual's need for independent living skills training, peer counseling, and individual advocacy training, and must be coordinated with any program or plan for the individual under section 102 of the Act, the Developmental Disabilities Assistance and Bill of Rights Act, and Part B of the Individuals with Disabilities Education Act.

New section 743 of the Act would make available to individuals served under Parts A, B, and C of Title VII due process protection consistent with the requirements and procedures established under section 102(d) of the Act, that would provide to applicants and recipients of independent living services under this title an opportunity for review of determinations made concerning the provision or denial of services.

New section 744 of the Act (Employment of Individuals with a Severe Disability) would retain the requirements of current section 732 of the Act.

New section 745 of the Act (Priority of Service) would require that priority of services under the title to be given to individuals not served by other provisions of the Act.

Section 29. Section 29 of the bill would amend various sections of the Act to provide authorizations of appropriations for programs under the Act.

Section 29(a)(1) would amend section 100(b) of the Act to authorize $1,839,852,000 to be appropriated for the Title I basic State grant program (other than grants under section 112 of the Act) for fiscal year 1993, and such sums as may be necessary for each of the four succeeding fiscal years; and to require that the amount of the appropriation be at least the amount of the prior year appropriation, plus the amount of the Consumer Price Index addition determined under section 100(c) for the immediately preceding fiscal year. This amendment would also clarify the distinction between the mandated level and the authorized level of funding for this program. Section 29(a)(3) would also update the automatic year extension requirement in section 100(d) of the Act.

Section 29(b) of the bill would amend section 112(h), as redesignated, of the Act to authorize appropriations of $9,434,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the Client Assistance Program.

Section 29(c) of the bill would amend section 201 of the Act to authorize appropriations of $68,440,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the research and training programs of the National Institute on Disability and Rehabilitation Research.

Section 29(d) of the bill would eliminate an unused and outdated authorization of appropriations for construction in section 301(a) of the Act.

Section 29(e) of the bill would amend section 304(f) of the Act to authorize appropriations of $36,688,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for training programs under the section.

Section 29(f) of the bill would repeal section 310 of the Act, which contains the authorization of appropriations for the special demonstration programs and for the migrant workers setaside. Because of the structure of the authorizing language, special appropriation language has been necessary in the past to carry out congressional intent for these programs. Separate authorizations of appropriations for these programs would be added by sections 29 (g) and (h) of the bill.

Section 29(g)(1) of the bill would amend section 311(d)(4) of the Act to authorize appropriations of $10,980,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for supported employment projects and demonstrations. Section 29(g)(2) would add a new section 311(f) of the Act to authorize appropriations of $20,103,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the remaining special demonstration programs.

Section 29(h) of the bill would amend section 312 of the Act to authorize appropriations of $1,300,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the migrant workers programs.

Section 29(i) of the bill would amend section 316(d) of the Act to authorize appropriations of $2,617,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for special recreational programs.

Section 29(j) of the bill would amend section 502(i) of the Act to authorize appropriations of $3,500,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the Access Board.

Section 29(k) of the bill would amend section 623 of the Act to authorize appropriations of $23,100,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the projects with industry program.

Section 29(l) of the bill would amend section 638 of the Act to authorize appropriations of $32,059,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years for the supported employment program.

Section 29(m) of the bill would amendment section 741 of the Act to authorize appropriations for the independent living programs under Title VII. Section 32(1) would amend section 741 of the Act to authorize $14,654,000 for the comprehensive services program for fiscal year 1993, $29,000,000 for the Centers for Independent Living program for fiscal year 1993, $6,505,000 for the independent living

services for the older individuals who are blind program for fiscal year 1993, $1,074,000 for protection and advocacy for fiscal year 1993, and such sums as may be necessary for each of the four succeeding fiscal years for all these programs.

TITLE III—AMENDMENTS TO THE HELEN KELLER NATIONAL CENTER ACT

Section 31. Section 31 of the bill would amend the Helen Keller National Center Act (29 U.S.C. 1901 *et seq.*) in the following manner:

Sections 31 (1) through (3) would amend the Act throughout to replace the terms "deaf-blind youths and adults," "deaf-blind individuals," and "deaf-blind individual" with terms denoting individual(s) or persons who are deaf-blind. These changes are made to update terminology and are in conformance with the redesignation of terms in sections 2, 3, and 4 of the bill.

Section 31(4) would amend section 202(5) of the Act to make a technical correction in the original congressional findings.

Section 31(5) would amend section 203(c) of the Act to add as a new purpose the training of family members of individuals who are deaf-blind. This change would assist family members in providing and obtaining appropriate services for the individual who is deaf-blind.

Section 31(6) would amend section 204 of the Act to require that the annual audit be submitted to the Secretary within 15 days following the completion of the audit and acceptance of the audit by the Center. This is a technical change.

Section 31(7) would amend section 205 of the Act to authorize appropriations of $6,057,000 for fiscal year 1993 and such sums as may be necessary for each of the four succeeding fiscal years to carry out the program.

Section 31(8) would amend section 206(2) of the Act to add a new subparagraph to permit the use of alternative criteria for persons who, despite the inability to be measured accurately for hearing and vision loss due to cognitive or behavioral constraints, can be determined through functional and performance assessment to have severe visual and hearing disabilities that cause extreme difficulty in attaining independence in daily life activities, achieving psychosocial adjustment, or obtaining vocational objectives. This would help eliminate the possibility that persons with very severe or multiple disabilities may be inadvertently excluded from services due to the existing requirements that are based exclusively on medical testing.

TITLE IV—AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

Section 41. Section 41 of the bill would amend section 631(a) of the Individuals with Disabilities Education Act to authorize grants for training regular education teachers who are involved in providing instruction to individuals who are deaf.

TITLE V—AMENDMENTS TO THE TECHNOLOGY-RELATED ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES ACT OF 1988

Section 51. Section 51 of the bill would amend sections 221(a)(1), 222(a), and 231(a) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (P.L. 100-407) to make public agencies and organizations, including State and local governments and institutions of higher education, eligible for technology training and public awareness awards under Part C and innovation and demonstration awards under Part D of Title II of that Act. Current law, which prohibits funding for public agencies and organizations, has significantly limited the pool of eligible applicants and created inequities regarding eligibility that cannot be justified, since many public as well as private entities have the capacity to develop and implement projects of national significance in these areas. This group of amendments would improve the quality of applications and the resulting projects by broadening the scope of eligible applicants.

TITLE VI—OTHER AMENDMENTS

Section 61. Section 61(a) of the bill would amend section 503(a) of the Act to eliminate the phrase "in employing persons to carry out such contract." Under current law, section 503(a) requires government contractors and subcontractors with contracts in excess of $2,500 to take affirmative action to employ and advance in employment qualified individuals with a disability. The effect of the amendment would be to apply the requirements of section 503(a) to all of a covered contractor's work force.

A recent decision by a U.S. District Court in *Washington Metropolitan Area Transit Authority* v. *DeArment*, 55 EPD ¶40,507 (D.C. 1991), limited the protection of section 503(a) only to those employees and potential employees who would perform work to carry out the government contract. Consequently, the court ruled that a Department of Labor (DOL) regulation subjecting all the employer's work force to section 503 obligations was inconsistent with the provisions of the statute. The other equal opportunity programs administered by DOL do not include the "carry out" language and apply to all operations of the firm that has contracted with the Federal government. Enactment of this provision will ensure a fair and a consistent application of these programs to Federal contractors.

Section 61(b) of the bill would amend section 7(13) of the Act, as redesignated, to state that for purposes of section 503, homosexuality and bisexuality are not impairments, as that term is used in section 7(13)(B) of the Act, and therefore not disabilities, and that the term "disability" would not include a number of other conditions (e.g., pedophilia and compulsive gambling). This amendment would facilitate the consistent application of section 503 of the Act with the ADA, as is required by section 107(b) of the ADA.

Section 62. Section 62 of the bill would

TITLE VII—EFFECTIVE DATE

Section 71. Section 61 of the bill would provide that the provisions of this Act would become effective on the date of enactment of the bill, except that the amendments made in section 51(a) of the bill would not be applied retroactively to any matter pending in the Department of Labor prior to that date.•

By Mr. MURKOWSKI:

S. 2904. A bill to amend the Internal Revenue Code of 1986 to permit rollovers into individual retirement accounts of separation pay from the Armed Forces; to the Committee on Finance.

MILITARY SEPARATION RETIREMENT BENEFITS ACT

Mr. MURKOWSKI. Mr. President, I rise today to introduce important legislation for the men and women of America's Armed Forces. This bill, the Military Separation Retirement Benefits Act of 1992, would allow those servicepeople who have responded to their country's request to leave the military before they had planned the ability to roll their departure incentives into eligible retirement plans.

THE SEPARATION INCENTIVES

Mr. President, the events of the last several years have led to a fundamental restructuring of the U.S. military. This restructuring, which will continue for some time, has included the downsizing of the Armed Forces. In order to facilitate the downsizing, the military has offered its personnel certain financial benefits for leaving the military prior to their expected dates of departure. These incentives include the voluntary separation incentives, the VSI, and the special separation benefit, the SSB. The amount of the incentive is based on the number of years served by and the rank at departure of the serviceperson.

The VSI operates as an annuity paid out to the departing serviceperson by the Government over a period of years while the SSB is paid out as a lump sum. Mr. President, as of June 5, 1992, 85 percent of those applying for the incentives are applying for the SSB. Moreover, as the Department of Defense points out, most of those taking the SSB are junior enlisted officers.

THE DEPARTING MEN AND WOMEN

Mr. President, the SSB is taxed in the year it is received as ordinary income. Many of those taking advantage of the SSB are men and women who had planned to make the military their career and were willing to make extraordinary sacrifices for the United States. Now that their country needs them to leave the service, they are voluntarily doing so, but it should not be forgotten that in so doing they are entering a time of some economic difficulty and are sacrificing the security they had in the military.

THE ROLLOVER

Mr. President, the SSB Program is a good idea, but something more needs to be done to protect departing service people. The bill which I am introducing today would allow those men and women taking the SSB to roll their SSB's into an eligible retirement account. It is simply not fair that the benefit paid to those in the Armed Forces who are helping this country out is presently taxed as ordinary income. It is not fair because that amount is totally disproportionate to what those men and women have been making or, in all likelihood, will be making in the immediate future. To tax these men and women on that amount as if it actually was, in fact, what they could expect to make is, on the face of it, absurd.

Further, by encouraging these men and women to put their money into eligible retirement accounts, we can help them plan for their futures. As I noted above, these men and women are voluntarily leaving careers, careers which

would have provided them with excellent retirement benefits. Allowing them the right to invest in eligible retirement accounts simply returns to them something of what they are giving up, a secure future. The program I am proposing would encourage these young Americans to save for their futures and invest in their country. In that way, they can continue to make important contributions to us all.

CONCLUSION

In conclusion, Mr. President, my bill would also retroactively apply to those who have already left the service under the SSB plan and, importantly, would apply if the military reached the point where it forced people to leave the service with a separation benefit. Mr. President, this is a bill to help those willing to serve and those who were serving; those whose plans have been changed by the greatest victory this Nation has ever won. Mr. President, let us give them a break, and help American investment at the same time.

By Mr. PELL:

S. 2906. A bill to promote and encourage alternative nondefense uses of defense industrial facilities, to create a Defense Economic Adjustment Trust Fund, to provide assistance for the retraining of currently employed defense workers, and to assist in providing continuity of certain benefits for defense workers whose employment is terminated; to the Committee on Armed Services.

DEFENSE INDUSTRIAL DIVERSIFICATION AND ADJUSTMENT ACT

Mr. PELL. Mr. President, I am introducing today the Defense Industrial Diversification Act of 1992, a bill to promote defense adjustment and to encourage the use of defense industrial facilities for the production of nondefense goods and services.

The basic premise of this bill is that defense contractors have a distinct public responsibility and obligation to plan for changes in defense spending and to provide for continuity of economic activity.

This special responsibility results, in my view, from the fact that defense contractors, by their nature, occupy a quasi-public position. Most of them have prospered substantially from public outlays over the past 40 years, and they have done so as a consequence of public policies over which the contractors themselves often have exerted an inherent influence.

Many defense contractors, especially small businesses, already are making strenuous and successful efforts to convert to nondefense activity, and in the process are preserving the jobs and welfare of their employees. But others, especially prime contractors grown accustomed to a steady diet of Government contracts, are content to take their winnings off the table, as it were, and let the public assume the full burden of adjustment.

One extreme example touches my own State, although I hasten to say that the legislation I am introducing is designed to address the generic problem rather than target any particular corporation or corporate policy.

The widely publicized case in point is that the General Dynamics Corp., which over the years has maintained a policy of disinterest in diversification to nondefense activity, a policy which, I am happy to note, may currently be undergoing modification.

But in recent months, the announced policy of the corporation has been to maximize its cash on hand from sale of nondefense and nonprofitable divisions, resulting in a cash surplus of $1.2 billion, some of which will be used to buy back stock from stockholders on favorable terms.

While this is good management from the perspective of stockholders and senior executives, it must seem otherwise from the perspective of more than 2,000 employees of General Dynamics' Electric Boat Division in Rhode Island and Connecticut who were recently laid off because of the curtailment of the Seawolf Submarine Program, with no corporate strategy in place for diversification to take up the slack.

The legislation I am introducing today would address such situations by requiring each defense contractor, as a condition to any future contract, to make a very modest set-aside of annual revenues each year to support corporate planning for diversification to nondefense production. Upon compliance with this requirement and with an additional requirement to contribute to a self-financing mechanism, the contractor becomes eligible for certain benefits and incentives:

Grants from the fund to support retraining of its current workforce to enable it to engage in nondefense production

Exemption from payment of statutory recoupment fees for defense R&D subsequently used for nondefense production

Preferred standing for nondefense Federal procurements.

As indicated, the bill would be self-financing by virtue of a defense adjustment trust fund, financed by contributions from contractors of 1 percent of the gross amount of new contracts, as a condition of the award of those contracts.

In addition to funding in-house worker retraining for diversified production, the trust fund would also finance another provision of the bill which would provide for a 50-percent subsidy of health insurance premiums of laid-off workers for a period of 1 year, for continued coverage under their former employer's health plan, as provided by the Consolidated Omnibus Budget Reconciliation Act of 1985 [COBRA].

This provision is a variation of S. 2690, which I introduced on May 12 and which would authorize a larger COBRA subsidy paid from appropriated funds. My intention in this legislation is to solve the same problem—which is universally regarded as the most serious one facing laid-off workers—but to do so by shifting the burden to the employers who bear a special responsibility for this particular group of unemployed persons.

Finally, the legislation I am introducing today establishes a new Office of Defense Industrial Diversification and Adjustment in the Office of the President, vested with executive authority, including responsibility to monitor the trust fund and to authorize payments from that fund. I believe such an office is required to achieve interdepartmental coordination and to assure energetic action.

For these reasons, the existing interdepartmental Economic Adjustment Committee would be disestablished and the duties assigned to it by the Fiscal Year 1991 Defense Authorization Act would be transferred to the new Office. The bill would require the new Office to coordinate its activities fully with the existing Office of Economic Adjustment of the Department of Defense.

I would note that several aspects of this bill correspond with the recommendations of the Senate Democratic Task Force on Defense/Economic Conversion, chaired so ably by the distinguished Senator from Arkansas [Mr. PRYOR].

The task force supports the concept of diversification of defense industry and the preservation of existing jobs or creation of comparable alternative jobs, which are the main objectives of my bill.

The task force supports increased job retraining for dislocated defense workers through existing programs, which focus on workers who have already lost their jobs. My bill expands the population of potential trainees to include a new category, namely those who are still employed but who need retraining to enable the contractor to shift to nondefense activity.

The task force recognized the critical problem of assuring continuity of medical insurance for the unemployed, but its recommendations were constrained by the high cost of providing a public remedy. My bill provides a nonpublic funding mechanism for limited subsidy of premiums.

And the task force recommended revision of Department of Defense policy requiring recoupment of Government investment in R&D which is subsequently used for commercial production. While the President has wisely moved to terminate that part of recoupment policy mandated by regulation, there remain in force statutory recoupment requirements in the Arms Export Control Act. My bill would authorize a waiver of those statutory requirements when a contractor complies

with the planning and funding requirements of the bill.

Finally, Mr. President, I would note that the planning and funding requirements of this bill were proposed in somewhat similar form in a bill I introduced in the 101st Congress, S. 2097, the Defense Diversification and Adjustment Act of 1990. The adjustment provisions of S. 2097, dealing with worker training and community adjustment, were in fact enacted in 1990 as part of the DOD authorization bill for fiscal year 1991, providing $200 million for these purposes.

The time has now come to focus on diversification, so I am submitting a new bill which restates the planning and funding requirements and incorporates certain benefits and incentives to encourage corporate compliance. The bottom line, as I see it, is that a new era and new circumstances require a new sense of corporate responsibility. In view of the human costs involved, we could hardly ask for less.

By Mr. KERRY (for himself and Mr. CRANSTON):

S. 2907. A bill to reform the National Flood Insurance Program; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL FLOOD INSURANCE REFORM ACT

• Mr. KERRY. Mr. President, today I am introducing legislation which would address the chronic problems that plague the National Flood Insurance Program; problems that threaten not only life and property along our Nation's floodplains and shores, but problems that also threaten the Nation's pocketbook.

I have been concerned about the Federal Flood Insurance Program for many years—on fiscal grounds, on environmental grounds, and in terms of increased risk to human life. And as our coastal populations have grown, my concerns have grown. Undeniably, our coasts attract millions of people to live, to work, to recreate, and to retire. However, depending on exactly where you settle and where you choose to live, you may also be exposing yourself to some of the less pleasant aspects of the coastal environment—hurricanes, floods, and property-destroying coastal erosion.

The National Flood Insurance Program was created to alleviate the taxpayer burden of paying for disaster relief in areas damaged, often repeatedly, by floods. In exchange for the insurance, communities were required to plan in order to reduce future flood losses. Unfortunately, this mandate to plan has never been adequately carried out. Communities have been allowed to develop in ill-advised areas, almost as if hurricanes, floods, and erosion won't occur. Consequently, the program has become an increasingly large financial liability.

The last thing that this country needs is another S&L style Federal bailout. But that is exactly where we are headed with this program.

Several factors contribute to this looming economic risk. Subsidized premium rates—far below actuarial rates—still remain today, disguising the true risk and market cost for insurance. Furthermore, coastal erosion, a powerful and predictable hazard, and a risk that can devastate property, amazingly has never been factored into the actuarial process for setting flood insurance premium rates. I know of no other insurance program that so casually dismisses a known risk of this magnitude.

Also undercutting the financial integrity of the flood insurance fund is the abysmal compliance shown by lenders and borrowers to abide by the mandatory purchase requirement to carry flood insurance for mortgages located in special flood hazard areas.

Noncompliance is rampant. Of the 11 million properties that are required to carry flood insurance for their own protection, only 1.9 million—or roughly 17 percent—actually carry insurance in force. It is clear that even if flood insurance is purchased at origination of a mortgage, the present process simply does not ensure that flood insurance is retained at renewal, or that insurance coverage is checked and maintained before future sales and transfers of mortgages.

Such noncompliance cripplies the stability of the flood insurance fund, dramatically expands the exposed risk to the Federal Government, and ultimately results in Government spending more dollars on disaster relief than should otherwise occur. With over $215 billion of policies in force, but less than $290 million in reserve, the fund is overinsured and undercapitalized, leaving it completely vulnerable to a catastrophic storm where estimated losses could run anywhere between $2 and $4 billion.

And who will make up the difference if the flood insurance fund runs short? The answer, of course, is your constituents and mine—the taxpayers. The Federal Government no longer can afford to ignore the fact that we are at the edge of the cliff.

Last year I introduced the National Flood Insurance, Mitigation and Erosion Management Act of 1991, S. 1650, a companion bill to similar legislation that passed the House of Representatives by a vote of 388 to 18. My intention was to improve the flood insurance program through a balanced approach of hazard identification, risk reduction, increased compliance, and community incentives to encourage participation in the flood insurance program.

As other Senators are aware, debate over this legislation, particularly sections pertaining to the identification and management of coastal erosion hazard areas, has been spirited. We have invested an extraordinary effort in an attempt to address all concerns and to develop a new compromise approach which responsibly addresses the needs for flood insurance reform while accounting for potential social and economic impacts.

While I continue to prefer the bill I orginally introduced, and would prefer not to make some of the compromises, I recognize that is the nature of the process, and, in view of the critical importance of enacting changes to this program, I have concluded that this is a necessary step.

Today, with Senator ALAN CRANSTON, whose help and support I greatly appreciate and commend, I am introducing the National Flood Insurance Reform Act of 1992. This new bill retains several of the essential items needed for a substantive reform effort.

It would make sure that lenders and borrowers comply with the mandatory purchase requirement, not only at origination but also during sales, transfers, and policy renewals. It also would require lenders to escrow for flood insurance and establish fees for noncompliance. Importantly, FEMA would be required to update all floodplain maps to make flood determinations easier and more efficient.

This bill also would establish a community rating system to reward communities that implement progressive floodplain management programs by granting these communities lower premium rates. Also, the bill would provide mitigation assistance—activities such as elevation of buildings, relocation, demolition, floodproofing—as a method of risk reduction. Under this program, States and communities would be able to reduce future flood losses. In addition, such assistance should attract new communities to participate in the flood insurance program.

Importantly, this bill restructures the erosion management section, creating a voluntary community erosion management program. If communities choose to manage for erosion hazard areas identified by FEMA, they will be eligible for reduced premium rates and Jones-Upton relocation and demolition assistance. Controversial items including erosion setbacks, Federal construction standards, and cancellation of existing flood insurance are absent from this voluntary program.

More importantly, because of the controversy and misinformation that surrounded S. 1650, I am compelled to point out that this bill would not take private property; that it would not mandate Federal land-use requirements; that it would not prohibit building along eroding shorelines; that it would not preempt existing State erosion management; and, that it would not render erosion-prone lands worthless.

What this bill would do is restore common sense to the Flood Insurance

Program. It would restore the original quid pro quo relationship whereby the Federal Government makes available to communities affordable flood insurance in exchange for those same communities implementing hazard management plans in order to reduce future losses due to flooding and erosion. It would provide a sensibly balanced program that reestablishes two essential elements into our decisions on where to build, and what to insure: Personal responsibility and public accountability.

Now is the time to act, before hurricane season arrives. I urge my colleagues to acknowledge the gravity of the economic risk we are all facing. I ask you to recognize that the Flood Insurance Program not only can be, but must be improved—improved not only to reduce the taxpayer's liability of having to fund another Federal bailout, but improved to better insure, manage, and cope with the hazards found along our coasts. I ask you to support this new compromise bill.●

● Mr. CRANSTON. Mr. President, I commend my colleague, Senator KERRY, for his new bill, the National Flood Insurance Reform Act of 1992. This legislation is a significantly revised version of the original S. 1650, the Flood Insurance, Mitigation and Erosion Management Act. The Senator deserves high praise for taking a complicated and controversial issue and developing the beginnings of a workable package. As an original cosponsor of both bills, I strongly support the purpose of this legislation to improve the health of the national flood insurance fund. This legislation makes several important changes to the National Flood Insurance Program.

First, it increases lender compliance to ensure that flood-prone homes are adequately insured against potential flood damage. Currently, only 2.5 million property owners maintain flood insurance policies, though there may be anywhere from 8 to 11 million insurable households exposed to flood risks.

Second, the bill recognizes the importance of flood mitigation activities. It would provide a dedicated source of funds for structural improvements, relocation, and other mitigation activities.

Third, the bill would authorize the community rating system to provide communities that reduce potential flood hazards lower insurance premiums.

The most controversial provision in the original bill was the erosion management program. I understand that substantial revisions have been made to this section and that these changes are included in the new bill. The erosion management section now would be extremely limited. It would require the Federal Emergency Management Agency to identify erosion-prone communities for insurance purposes. Within these erosion-prone communities, Federal flood insurance would be denied for new construction. Communities that choose to manage erosion risks would be eligible for lower insurance premiums. And, properties located in erosion-prone areas that do not manage the risk would be subject to premium surcharges for each subsequent claim.

Many of us have heard from coastal property owners, developers, and realtors regarding the erosion management provision. Much of their concerns and criticisms have been addressed in this new legislation. The Senator has done an outstanding job and has gone beyond the call of duty in making significant revisions to address these concerns.

I intend to continue to work closely with the Senator toward passage of this legislation. Again, I praise the Senator for his dedication and commitment to this important bill to reform the National Flood Insurance Program.●

By Mr. SIMON:

S. 2908. A bill to amend the Public Health Service Act to provide reasonable assurances that human tissue intended for transplantation is safe and effective, and for other purposes; to the Committee on Labor and Human Resources.

HUMAN TISSUE TRANSPLANTATION ACT

● Mr. SIMON. Mr. President, in the past several months two events have occurred that have demonstrated the need for the establishment of standards for tissue banks and for human tissue itself.

Recently, attention has been focused on the need for standards in the recovery and distribution of tissue as a result of the transmission of the HIV virus from a tissue donor in Virginia to three recipients of that donor's tissue. In addition, in June 1991, the Food and Drug Administration [FDA] announced its intention to classify replacement human heart valves as medical devices and require the filing of an investigational device exemption [IDE] and of a premarket approval application [PMA] for this human product. For reasons set forth in a letter I directed last Friday to FDA Commissioner David Kessler, which I will submit for the RECORD, this is regulatory overkill that threatens the ability of nonprofit tissue banks to continue to process human tissue.

Mr. President, these events demonstrate that the tissue banking and transplantation community should be guided by new legislation that provides an effective, workable and relatively quick standard-setting process for human tissue intended for transplantation. It is my strongly held view that the current authority of the Food and Drug Administration is both inadequate and inappropriate to protect the public health against concerns over safety and effectiveness of human tissue intended for transplantation. There is no uniform scheme designed to assure that donor tissue is properly tested; nor is there a mechanism to trace transplanted tissue. There is no oversight of tissue banks themselves. No national standards for processing of human tissue exist. Perhaps most important, recent regulatory efforts taken by the FDA regarding human tissue involve the imposition of premarket approval activities costing nonprofit tissue banks hundreds of thousands of dollars to demonstrate, through clinical reports, that a "product" that man did not design is safe and effective.

I have spent the last several months working with those who understand the existing regulatory mechanism for human tissue and who could guide us in developing legislation to ensure rational and effective regulation of tissue banks and human tissue itself. In so doing, my staff has analyzed the report of the Public Health Service Workgroup on organ and tissue transplantation; we have consulted informally with several organizations with expertise in tissue procurement, banking and transplantation; and we have relied on the expertise of the National Tissue Bank Council, an organization of 18 of the largest and oldest tissue banks in the country that process the majority of human tissue intended for transplantation. More recently, our efforts have been guided by the United Network for Organ Sharing [UNOS], the organization selected by the Department of Health and Human Services [HHS] to develop criteria for the allocation of human organs in the United States. Both the NTBC and UNOS support this legislation. An explanation of UNOS' functions and its position on standards for human tissue accompanies this statement.

Mr. President, existing regulation of human tissue by FDA reflects a crazy quilted scheme, predicated upon few, if any, guiding principles. The FDA currently regulates certain cell therapies under IND's and intends to require the approval of a product license application for these cell therapies as biological products under the Public Health Service Act. However, unprocessed bone marrow is excluded from the FDA requirements—although bone marrow registries and centers may shortly be subject to National Institutes of Health [NIH] regulation. Similarly, the FDA requires establishments that ship blood products interstate to be licensed as a producer of biologic products. Further, blood establishments must register and list all products they produce, and comply with regulations setting forth good manufacturing practice requirements for blood products.

In contrast, dura mater, corneal lenticules, umbilical veins, allograft

cultured skin and, now, allograft human heart valves are, or are proposed to be, regulated by FDA as medical devices. The type of regulation varies considerably according to the type of tissue regulated. Some tissues, classified as medical devices, are subject only to general controls, such as good manufacturing practice requirements, including requirements related to infectious disease transmission and periodic establishment inspection. Others, such as corneal lenticules and human heart valves are required to undergo premarket approval. The PMA for corneal lenticules was submitted to FDA several years ago but has not yet been approved.

The National Heart, Lung, and Blood Institute of NIH is currently preparing regulations setting forth criteria, standards, and procedures for bone marrow donor registries, bone marrow donor centers, marrow collection centers, and marrow transplant centers. In addition, the Public Health Service and the Centers for Disease Control have published periodic recommendations and guidelines relating to the transmission of communicable disease through transplantation.

Mr. President, proposed legislation I have developed is based upon three general principles.

First, both the tissue bank community and the Federal Government have the responsibility to the public to assure the safety of human tissue. Thus, my bill immediately sets in motion a collaborative relationship between the tissue bank community and HHS to establish and ensure compliance with standards for tissue banks and for human tissue itself.

Second, human tissue should not be regulated as if it is an artificial product designed by man. There is no medical or scientific evidence that demonstrates a need that implantable human tissue be shown to be safe and effective through the traditional way of regulating drugs and medical devices on a product-by-product basis. The FDA was, in effect, backed into this position in the process of regulating artificial heart valves—perhaps without sufficient thought as to the medical and social consequences of such a decision. As I indicate in my letter to Commissioner Kessler, treating human tissue as a "product" under the medical device law is not only unnecessary to ensure safety and effectiveness, it has significant negative results for the potential availability of tissue to patients. It has severely taxed the ability of the six existing nonprofit heart valve processors to continue to process human cardiovascular tissue, and makes it unlikely that additional nonprofit banks will be able to meet the expensive and time-consuming requirements involved in preparing IDE's and PMA's for human tissue that they process. In addition, placing human tissues under investigational status threatens reimbursement under public and private programs for the costs associated with the tissue itself, as well as for the surgical procedures involved in transplantation. I am pleased that at the urging of Commissioner Kessler, the Health Care Financing Administration [HCFA] has agreed to continue coverage of heart valve transplantation procedures under Medicare. However, if private insurance companies do not pay for human tissue under experimental status or for transplantation procedures to implant it, the availability of tissue transplantation may be severely restricted.

Third, regulation of human tissue should be by a single regulatory mechanism developed by Congress. There is no reason, in my view, why some human tissue should undergo clinical trials under a mechanism designed for drugs and sophisticated medical devices—and under which tissue banks receive a private license to process it—while other transplanted tissue is subject to standards applicable to all processors, and much of tissue is not subject to any standards at all. In my view the entire field of tissue procurement, processing, and distribution should fall under a standardized approach that does not involve regulation of one tissue product at a time, but rather establishes standards for types of human tissue for clinical use. Under the current approach, it would take decades for the FDA to give scrutiny to all of the many tissues that are processed by tissue banks. There is no real utility to this approach.

A principal theme that grew out of discussions with UNOS is the desirability of significant contribution by the tissue transplant community in the development of voluntary professional standards for tissue banks and for human tissue itself. This is partially because of the fact that, at present, the majority of experience with human tissue lies outside of government. With oversight by HHS, professionals in the tissue transplant community can identify problems, establish priorities, and develop standards quickly and efficiently. In addition, there is need to ensure that Federal funds not be diverted to the regulation of human tissue from other important public health efforts currently under way at the FDA.

Mr. President, let me briefly describe my proposal for new legislation. Before doing so, I want to emphasize that under the proposal, more tissue becomes subject to safety and effectiveness oversight more quickly than under the current FDA premarket approval approach. Unquestionably, therefore, the public health will be protected to a far greater extent under my proposed legislation than under the piecemeal approach with which the FDA is forced to live.

The thrust of my legislation may be summarized as follows:

First, the legislation proposes establishment of a National Council on Tissue Transplantation—the Council—with many responsibilities similar to that of the Organ Procurement Transplant Network [OPTN] established under the 1984 National Organ Transplant Act, now carried out by UNOS under government contract. The primary responsibility of the Council will be to develop voluntary professional standards applicable to human tissue banks and to human tissue itself. All tissue banks—nonprofit and for-profit—are eligible to join the Council; a condition of membership is to be in compliance with the Council's standards.

Second, tissue banks may become subject to requirements promulgated by the Department of Health and Human Services concerning requirements for good processing standards; requirements assuring the safe distribution of human tissue; procurement standards; maintenance of a serialized inventory system; requirements for a licensed medical director; and other requirements. Compliance with these requirements would be assured through licensure of tissue banks that process or distribute human tissue. Prior to development of mandatory regulation, however, the Secretary is to take into account whether the Council's standards provide the public with reasonable assurance of safety and effectiveness.

The third piece of the proposed legislation would address the current requirements by FDA to subject some human tissue to premarket approval requirements under the medical device law. In lieu of applying this regulatory scheme to human tissue—which, I might add, was never in my mind when, as a member of the other body, I voted for the Medical Device Amendments of 1976—the bill proposes a public standard system applicable to types or classes of human tissue. Thus, rather than reviewing individual products for safety and effectiveness, public standards for types or classes of tissue must be developed by the Council, and may be required by HHS. Standards would thus replace the current system of IDE's and PMA's. It is for this reason that I am confident that under my bill, more tissue will be subject to appropriate scrutiny in less time than under the current piecemeal approach.

In sum, Mr. President, I propose legislation that I believe better assures the public of the safety of human tissue and treats human tissue as, in effect, owned by the public—not by individual tissue banks—by subjecting it to voluntary and public standards applicable and available to all processors.

I ask unanimous consent that my letter to Commissioner Kessler, a statement prepared by UNOS describing its

important role in organ transplantation, as well as a section-by-section analysis of the Human Tissue Transplantation Act of 1992, be inserted into the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 26, 1992.

DAVID A. KESSLER, M.D.,
Commissioner, Food and Drug Administration, Rockville, MD.

DEAR COMMISSIONER KESSLER: I wanted to let you know that I today introduced the Human Tissue Transplantation Act of 1992, which will provide direction to the Food and Drug Administration in the regulation of human tissue.

I look forward to working with you on this important legislation and believe its enactment will provide your agency more appropriate and flexible tools with which to assure the American public of the safety and effectiveness of human tissue intended for transplantation. I have asked Senator Kennedy to schedule hearings on the proposed legislation in the next few weeks.

As you know, on several occasions I have expressed my concern over the implications of FDA's decision to regulate human heart valves as class III medical devices. While I take no position on the legality of this action, it is my view that requiring clinical trials for products made from human tissue was never contemplated by Congress, and this action poses immense problems related to costs. You efforts in securing continued Medicare coverage for heart valve replacement surgery are commendable, but these efforts do not guarantee coverage by private insurance plans, which typically exclude "investigational" products from coverage.

In addition, I am advised that the current expense of compliance with the requirement to hold investigational device exemptions (IDEs) by nonprofit tissue banks is well in excess of $10,000 per month, per tissue bank. These increased costs, I am told, have been passed on to recipients, with the result that the cost of a human heart valve today is at least 50 percent greater than the cost one year ago.

Moreover, one of the six tissue banks that processes human heart valves has, for financial reasons, dropped out of the consortium of tissue banks pursuing a common IDE. It is entirely possible that, if the requirement to conduct clinical trials is continued, several nonprofit tissue banks will abandon the field to existing for-profit processors. Clearly, the action requiring premarket approval is inconsistent with the spirit of the 1984 National Organ Transplant Act, which prohibits the commercialization of human organs and tissue.

My legislation would authorize the FDA, after consideration of voluntary professional standards developed by a National Council on Tissue Transplantation, to develop public standards for human tissue, as well as standards for licensure of tissue banks. In my view, this approach would result in the application of standards, either voluntary or prescribed by the FDA, in a relatively short period of time—certainly much shorter than an approach involving the application of clinical trials on a tissue-by-tissue basis. Because the legislation adopts an approach to the deregulation of human tissue most consistent with that required by human blood and other biological products, it precludes regulation of any human tissue as either a medical device or a new drug.

I have serious doubts that requiring clinical trials yields any greater protection of the public health than would well-designed standards. As stated by Richard Hopkins, M.D., Director of Pediatric Cardiac Surgery, Georgetown University Medical Center, "allograft valves were made and designed by God. From an engineering standpoint, they are the most perfect we have." Your own letter to Acting HCFA Administration Toby acknowledges that "FDA has no evidence of significant safety problems involving the current use of these devices. . . ." Statements such as these clearly call into question the need for expensive and time-consuming clinical trials.

Because of the pendency of the proposed legislation, any my commitment to its enactment, I believe it would be wholly appropriate for FDA to suspend its decision to regulate human heart valves as class III medical devices, and I urge you to take action to do so. It may be that this action could be accompanied by assurances by the tissue banks that they will continue to comply with processing protocols that are now required under the IDE.

I am eager to learn of your response to this suggestion, and await your reply.

My best wishes.

Cordially,

PAUL SIMON,
U.S. Senator.

STATEMENT OF THE UNITED NETWORK FOR ORGAN SHARING CONCERNING THE HUMAN TISSUE ACT OF 1992

Organ donation and tissue donation depend on public support and confidence. In many cases, organs and tissues are donated at the same time. Donated organs were designated as a public resource by the National Organ Transplant Act of 1984. Donated tissues must be treated as a public resource in order to protect the integrity of organ and tissue donation and transplantation in the United States.

Transplantable human organs are in short supply. Patients are dying at an accelerating rate while waiting for an organ transplant. National efforts to educate the public and medical professionals on the merits of organ donation are underway. Since organ and tissue donation are so closely linked, both functionally and in the eyes of the public, care must be taken to coordinate organ donation with tissue donation.

The National Organ Procurement and Transplantation Network (OPTN), with all United States organ transplant centers and organ procurement organizations (OPOs) as members, establishes voluntary policies for organ procurement, organ allocation and other essential aspects of organ transplantation. The OPTN has been in operation since September 30, 1986, and is operated by the United Network for Organ Sharing (UNOS), a not-for-profit corporation, under contract with the Department of Health and Human Services. UNOS operates a self-regulating professional organization that depends primarily on the volunteer efforts of members, with support from a full-time staff. UNOS is also the contractor for the organ transplantation scientific registry.

Organ procurement organizations designated by the Health Care Financing Administration, of which there were 68 as of June 1, 1992, handle all organ procurements and a substantial portion of all tissue procurements. All OPOs are members of the OPTN and adhere to its organ procurement and allocation policies. As efforts are made to increase the rate of organ donation and to expand the traditional donor pool to help solve the organ shortage, organ procurement becomes more complex and demanding. Unless tissue procurement is governed in a manner similar to, and compatible with, organ procurement, there will be inevitable damage to organ procurement.

Tissue transplantation has been allowed to develop without significant federal regulatory involvement. The discovery of the human immunodeficiency virus (HIV) and its increasing incidence in the population has focused much greater attention on testing both organ donors and tissue donors for HIV. It is now time for Congress and the Department of Health and Human Services to bring tissue procurement under federal government oversight. Borrowing significantly from the experience of the OPTN, the Human Tissue Act of 1992 would bring tissue procurement, processing and distribution under the control of the Department of Health and Human Services through a contract relationship with a private not-for-profit entity for operation of the National Council on Tissue Transplantation (NCTT). The NCTT will be a membership organization that sets voluntary standards for tissue procurement, processing and distribution; collects and publishes scientific information; and collects data concerning tissue transplantation. If the experience of the NCTT parallels that of the OPTN, compliance with voluntary standards will become pervasive and effective. Voluntary standards will keep pace efficiently with scientific and technological advances and will assure safely and effectiveness without the necessity for promulgation of mandatory regulations, if the tissue transplantation community works together within the framework of the National Council on Tissue Transplantation. If volunteer standard-setting is not effective, the Act authorizes HHS to adopt regulations to require registration, licensing and inspection of tissue banks, tissue processors, and tissue distributors as needed.

The NCTT will also be able to address problems that relate to a scientific type of human tissue, such as human heart valves, by adoption of voluntary standards. If HHS finds that these voluntary standards are not effective to solve the problems, it may promulgate mandatory public standards relating to that type of tissue.

There have thus far been relatively few concerns with the safety and effectiveness of human tissue transplantation or of organ transplantation. It is hoped that the establishment of a voluntary standard-setting organization for human tissue, to work in cooperation with the existing organ network, will allow both organ and tissue transplantation to continue to operate safely and effectively under government oversight, but without the need for significant government effort or expense.

SECTION-BY-SECTION ANALYSIS OF THE HUMAN TISSUE ACT OF 1992

Section 1 of the bill contains the short title (Human Tissue Transplantation Act of 1992) and technical references.

Section 2 of the bill would add several new sections to the Public Health Service Act to provide a new regulatory mechanism for human tissue and tissue banks.

GENERAL RULES

New section 354 of the Public Health Service Act would state the general rules applicable to human tissue. Under the approach of the bill, as stated in this section, human tissue intended for transplantation may not be procured, processed or distributed unless:

If the Secretary of Health and Human Services (HHS) promulgates regulations under new section 356, it is processed and distributed by one or more tissue banks that is licensed under such section 356; and

If it is human tissue subject to public standards promulgated under section 358 of the new bill, it meets such standards.

Human tissue that (1) is intended for transplantation in the same patient; or (2) is not frozen after procurement and is intended to be transplanted within 72 hours of procurement, is exempt from the new law.

NATIONAL COUNCIL ON TISSUE TRANSPLANTATION

New section 355 would require the Secretary of the U.S. Department of Health and Human Services (the Secretary) to contract with a nonprofit entity, which is not engaged in any significant activity unrelated to tissue banking, to establish the National Tissue Bank Council. This section, patterned after the 1984 law that established a national Organ Procurement and Transplantation Network, would insure that government gain the expertise of the Council prior to undertaking regulatory activities. Specifically, the Council would be required to advise the Secretary on the state of human tissue procurement, transportation, processing, storage and distribution, and prepare a comprehensive report to the Secretary on such issues. In addition, the Council is to develop and disseminate voluntary professional standards meeting the requirements of the new law and submit to the Secretary recommended standards relating to the procurement of human tissue, the processing and distribution of human tissue by tissue banks, and standards for tissue itself (including, on an expedited basis, standards for human heart valves).

Under the proposed law, the National Council on Tissue Transplantation must consist of tissue banks and other nonprofit and for-profit entities and persons who procure, process, distribute or transplant human tissue. It must have a governing body of not less than 12 members, of which a majority must be representatives of tissue banks, and that includes representation from organ procurement organizations, voluntary health organizations, physicians and the general public.

REGISTRATION

New section 355A authorizes the Secretary to require, by regulation, that each tissue bank in the United States, as well as an entity other than a tissue bank that procures human tissue, register with the Secretary on an annual basis. Regulations must require that every tissue bank (or other entity) must register upon first engaging in the procurement, processing, or distribution of human tissue. Information required under the registration includes the name of the tissue bank and other identifying information. This provision is patterned after comparable requirements for manufacturers of drugs and medical devices under section 510 of the Federal Food, Drug, and Cosmetic Act.

LICENSURE OF TISSUE BANKS

New section 356 authorizes the Secretary, after taking into consideration voluntary professional standards developed by the Council, to require all tissue banks to promulgate regulations prohibiting a tissue bank from processing or distributing human tissue intended for transplantation, unless the tissue bank holds a valid license once requirements to do so become applicable. The new legislation makes it clear that licenses for tissue banks are to be issued by the Secretary, upon application, either if the Secretary determines that a tissue bank meets standards promulgated for such tissue bank, or the tissue bank is accredited by a nonprofit accrediting body designated by the Secretary for this purpose. In addition, this section authorizes the Secretary, as well as the accrediting body, to require payment of fees by a tissue bank based upon the costs of federal inspection and licensure or the costs of accreditation. In this way, costs to the federal government are minimized.

Under new section 356, regulations promulgated by the Secretary concerning licensure of tissue banks must be designated to provide reasonable assurance that tissue procured by the tissue bank does not transmit disease. If a tissue bank receives human tissue procured by an entity other than a tissue bank, it must gain written assurance that the procuring entity meets such procurement standards. In addition, they must include, among other things, requirements that tissue be processed and distributed in accordance with good tissue banking procedures designed to provide reasonable assurance that human tissue processed or distributed by the tissue bank does not transmit disease. These procedures are intended to be comparable to good manufacturing practice procedures presently required of manufacturers of drugs and medical devices. In addition, the regulations must set forth qualifications for tissue bank personnel, including a requirement that each tissue bank have a medical director who is a physician licensed to practice medicine.

ACCREDITATION

New section 356A of the Public Health Service Act would authorize a tissue bank to be accredited for the purposes of obtaining a license if it meets the standards of an accreditation body designated by the Secretary. The new section also authorizes the Secretary to designate a nonprofit organization to be an accreditation body if it agrees to inspect tissue banks for purposes of federal licensure, and if its standards are equal to, or more stringent than, the standards issued by the Secretary for licensure of tissue banks. The accrediting body may, but need not, be the entity that contracts with the Secretary to establish the National Council on Tissue Transplantation.

This section is patterned after comparable provisions of the Clinical Laboratory Improvement Act of 1988.

INSPECTIONS

New section 357 authorizes the Secretary to inspect tissue banks subject to licensure requirements for the purpose of licensing such tissue banks, determining the performance of an accrediting body, or inspecting accredited facilities upon a determination that inspection is necessary for the protection of the public health. Certain limitations are placed upon the authority of the Secretary to inspect certain types of records. The limitations are imposed on the accrediting body as well.

PUBLIC STANDARDS FOR HUMAN TISSUE

New section 358 requires the Secretary, following receipt of a voluntary professional standard from the National Council on Tissue Transplantation, to publish the voluntary standards in the Federal Register and provide for comments on whether compliance with it is sufficient to provide patients with reasonable assurances of the safety and effectiveness of the type of tissue that is the subject of the voluntary standard. If the Secretary determines that compliance is insufficient to provide patients with such assurances, the Secretary is to promulgate a regulation establishing a public standard for such type of human tissue.

Public standards may be based on evidence from well controlled investigations, partially controlled studies, or other scientific evidence. Public standards must be designed to provide reasonable assurance of safe and effective performance of the type or types of human tissues specific by the standards. Such standards must specify processing standards; where appropriate, specify physical and biological properties of the tissue; and specify required labeling of the tissue.

In general, a public standard is not to take effect until one year after its enactment. The Secretary is to amend a public standard on an expedited basis to reflect new technology or for other reasons.

ENFORCEMENT

New section 359 would authorize the imposition of civil penalties as follows:

For failure of a tissue bank (or other entity) to register, $10,000;

For failure of a tissue bank to have a license; $25,000;

For procurement of human tissue in violation of procurement standards, and after appropriate notice, $25,000; and

For any person who introduces or delivers for introduction in interstate commerce human tissue in violation of a public standard, $50,000.

In all instances, the violator is to be provided written notification and opportunity to correct the violation before the civil penalty is imposed.

For the latter three violations, the Secretary may not impose a civil penalty without affording the opportunity for an informal hearing to the alleged violator. A civil penalty may be remitted or mitigated by the Secretary.

Section 359 also authorizes the suspension of a license for a tissue bank by the Secretary if, after an opportunity for an informal hearing, the Secretary determines that the owner or operator of the tissue bank has been guilty of misrepresentation or an omission of fact in obtaining the license, has failed to comply with licensure requirements, or has failed to comply with reasonable requests of the Secretary in determining whether or not a violation has occurred. The suspension of a license will continue in effect until the tissue bank, through written submission to the Secretary, demonstrates that it has corrected the conditions given rise to the suspension. In addition, the Secretary is authorized, in lieu of suspension actions, to require a tissue bank to engage in a directed plan of correction or pay for costs of onsite monitoring.

Finally, section 359 specifies that human tissue that violates an applicable public standard, or is procured in violation of procurement standards, may be seized in accordance with the provisions of section 304 of the Federal Food, Drug, and Cosmetic Act.

JUDICIAL REVIEW

New section 360 authorizes judicial review of actions by the Secretary affecting substantive rights to be in accordance with the procedures established under section 517 of the Federal Food, Drug, and Cosmetic Act.

EFFECT ON STATE LAWS

New section 360A authorizes state laws with respect to tissue banks to continue in effect unless they are inconsistent with the provisions of the new Federal legislation. In addition, the new legislation requires that any requirement of a state with respect to human tissue intended for transplantation

which is different from, or in addition to, Federal requirements, may not be established or continued in effect.

The draft legislation makes it clear that no provision of state law treating the procurement, processing, storage, distribution or transplantation of human tissue as a service is to be affected by the legislation. Thus, state product liability laws applicable to human tissue are not to be affected by the new Federal requirements.

Section 3 of the bill adds a new section 399B to the Public Health Service Act which authorizes the Secretary, after consultation with the Council, to prescribe regulations requiring that providers of services under the Medicare or Medicaid programs to establish and maintain records of transplantation of tissue in a manner that facilitates the identification of transplant patients, donors, and the distributor of such tissue.

Section 4 of the bill includes definitions of "human tissue," "tissue bank," "distribute,"and specifies that the term "informal hearing" means a hearing described in section 201(y) of the Federal Food, Drug, and Cosmetic Act.

Section 5 of the bill amends existing section 351(d)(2)(A) of the Public Health Service Act, which authorizes the Secretary to order the recall of a biological product that presents an imminent or substantial hazard to the public health. The amendment would extend this provision to human tissue that presents an imminent or substantial danger to the public health.

Section 6 of the bill makes it clear that the definitions of "drug" and "device" under the Food, Drug, and Cosmetic Act do not include human tissue, as defined under the new bill. Thus, once the proposed legislation is enacted human tissue may not be regulated as a drug or medical device, but as a biological product.

This section also makes it clear that a tissue bank licensed under the provisions of the new legislation is, with respect to activities regarding human tissue, not required to be licensed under section 353 of the Public Health Service Act (relating to a licensure of clinical laboratory).

Section 7 of the bill includes transitional provisions for the regulation of human heart valves. This section specifies that the Secretary is not authorized to enforce existing regulations that treat human heart valves as medical devices subject to premarket approval, and rescinds the determination by the Secretary that human heart valves must undergo premarket approval.

Section 8 of the bill requires an expedited proceedings applicable to human heart valves. It requires that within 60 days after the development of a voluntary public standard for human heart valves by the National Council on Tissue Transplantation, the Secretary is to initiate a proceeding to determine whether a public standard for human heart valves should be developed. In addition, this section specifies that the regulation is to be expedited.

ADDITIONAL COSPONSORS

S. 1111

At the request of Mr. MITCHELL, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1111, a bill to protect the public from health risks from radiation exposure from low-level radioactive waste, and for other purposes.

S. 1175

At the request of Mr. KERRY, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1175, a bill to make eligibility standards for the award of the Purple Heart currently in effect applicable to members of the Armed Forces of the United States who were taken prisoners or taken captive by a hostile foreign government or its agents or a hostile force before April 25, 1962, and for other purposes.

S. 1361

At the request of Ms. MIKULSKI, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1361, a bill to remedy the serious injury to the United States shipbuilding and repair industry caused by subsidized foreign ships.

S. 1777

At the request of Mr. ADAMS, the names of the Senator from Nevada [Mr. REID] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 1777, a bill to amend the Public Health Service Act to establish the authority for the regulation of mammography services and radiological equipment, and for other purposes.

S. 2028

At the request of Mr. SPECTER, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Vermont [Mr. JEFFORDS], the Senator from Alabama [Mr. SHELBY], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 2028, a bill to amend title 38, United States Code, to improve and expand health care and health-care related services furnished to women veterans by the Department of Veterans Affairs.

S. 2064

At the request of Mr. HATFIELD, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 2064, a bill to impose a 1-year moratorium on the performance of nuclear weapons tests by the United States unless the Soviet Union conducts a nuclear weapons test during that period.

S. 2113

At the request of Mr. SMITH, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 2113, a bill to restore the second amendment rights of all Americans.

S. 2236

At the request of Mr. SIMON, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 2236, a bill to amend the Voting Rights Act of 1965 to modify and extend the bilingual voting provisions of the act.

S. 2484

At the request of Mr. KASTEN, the names of the Senator from Missouri [Mr. BOND] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 2484, a bill to establish research, development, and dissemination programs to assist State and local agencies in preventing crime against the elderly, and for other purposes.

S. 2704

At the request of Mr. BYRD, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2704, a bill to prevent any foreign person from purchasing or otherwise acquiring the LTV Aerospace and Defense Company.

S. 2789

At the request of Mr. MCCAIN, his name was added as a cosponsor of S. 2789, a bill to encourage the growth and development of commercial space activities in the United States, and for other purposes.

S. 2792

At the request of Mr. KOHL, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2792, a bill to amend and authorize appropriations for the continued implementation of the Juvenile Justice and Delinquency Prevention Act of 1974.

S. 2794

At the request of Mr. DOLE, the names of the Senator from Wisconsin [Mr. KASTEN] and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 2794, a bill to relieve the regulatory burden on depository institutions, particularly on small depository institutions, and for other purposes.

S. 2839

At the request of Mr. SHELBY, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 2839, a bill to prohibit the transfer under foreign assistance or military sales programs of construction or fire equipment from Department of Defense stocks.

S. 2870

At the request of Mr. RUDMAN, the names of the Senator from Illinois [Mr. SIMON], the Senator from Rhode Island [Mr. PELL], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

S. 2887

At the request of Mr. MCCONNELL, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 2887, a bill to amend title IV of the Social Security Act to provide that the Secretary of Health and Human Services shall enter into an agreement with the Attorney General of the United States to assist in the location of missing children.

S. 2900

At the request of Mr. DOMENICI, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 2900, a bill to establish a moratorium on the promulgation and implementation of certain drinking water regula-

tions promulgated under title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) until certain studies and the reauthorization of the act are carried out, and for other purposes.

SENATE JOINT RESOLUTION 308

At the request of Mr. GORE, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of Senate Joint Resolution 308, a joint resolution adopting certain principles on general rights and obligations with respect to the environment, to be known as the "Earth Charter," and urging the United Nations Conference on Environment and Development, meeting in June 1992, to adopt the same.

SENATE CONCURRENT RESOLUTION 81

At the request of Ms. MIKULSKI, the names of the Senator from Oklahoma [Mr. BOREN] and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Concurrent Resolution 81, a concurrent resolution expressing the sense of the Congress regarding visionary art as a national treasure and regarding the American Visionary Art Museum as a national repository and educational center for visionary art.

SENATE CONCURRENT RESOLUTION 126

At the request of Mr. SHELBY, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of Senate Concurrent Resolution 126, a concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress.

SENATE RESOLUTION 316

At the request of Mr. D'AMATO, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of Senate Resolution 316, a resolution in support of foreign controlled corporations (FCC's) paying their fair share of Federal income taxes.

AMENDMENTS SUBMITTED

FEDERAL HOUSING REGULATORY REFORM ACT

MITCHELL (AND SASSER) AMENDMENT NOS. 2454 THROUGH 2518

(Ordered to lie on the table.)

Mr. MITCHELL (for himself and Mr. SASSER) submitted 66 amendments intended to be proposed by them to amendment No. 2447 proposed by Mr. SEYMOUR to the bill (S. 2733) to improve the regulation of Government-sponsored enterprises, as follows:

AMENDMENT NO. 2454

On page 1, in the first paragraph of the amendment, strike "seven" and insert "six".

AMENDMENT NO. 2455

On page 1, in the first paragraph of the amendment, strike "seven" and insert "five".

AMENDMENT NO. 2456

On page 1, in the first paragraph of the amendment, strike "seven" and insert "four".

AMENDMENT NO. 2457

On page 1, in the first paragraph of the amendment, strike "seven and insert "three".

AMENDMENT NO. 2458

On page 1, in the first paragraph of the amendment, strike "seven" and insert "two".

AMENDMENT NO. 2459

On page 1, in the first paragraph of the amendment, strike "seven" and insert "one".

AMENDMENT NO. 2460

On page 1, strike all from the first word of the text proposed to be inserted through "Article—.

AMENDMENT NO. 2461

On page 1, in section 1 of the amendment, strike "of the whole number".

AMENDMENT NO. 2462

On page 1, in section 1 of the amendment, strike "law" and insert "concurrent resolution".

AMENDMENT NO. 2463

On page 1, in section 2 of the amendment, strike "of the whole number".

AMENDMENT NO. 2464

On page 1, strike all of section 2 of the amendment.

AMENDMENT NO. 2465

On page 1, in section 2 of the amendment, strike "law" and insert "concurrent resolution".

AMENDMENT NO. 2466

On page 2, in section 3 of the amendment, strike "Prior to each fiscal year" and insert "Not later than the first Monday in February in each calendar year."

AMENDMENT NO. 2467

On page 2, stike all of section 4 of the amendment.

AMENDMENT NO. 2468

On page 2, in section 4 of the amendment, strike "of the whole number".

AMENDMENT NO. 2469

On page 2, in section 5 of the amendment, strike "joint resolution; adopted by a majority of the whole number of each House, which becomes law" and insert "concurrent resolution".

AMENDMENT NO. 2470

On page 2, in section 5 of the amendment, strike "joint resolution"; adopted by a majority of the whole number of each House, which becomes law" and insert "concurrent resolution adopted by a majority of the whole number of each House".

AMENDMENT NO. 2471

On page 2 of the amendment, at the end of section 7, insert the following "Receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2472

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Unemployment Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2473

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the highway and airport trust funds, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2474

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the highway trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2475

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the airport trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2476

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, and the Judicial Officers' Retirement Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2477

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2478

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Civil Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2479

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Judicial Officers' Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2480

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Foreign Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2481

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and

disbursements of the Postal Service shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2482

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2483

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of the Black Lung Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2484

On page 2 of the amendment, at the end of section 7, insert the following: "Receipts and disbursements of Federal emergency disaster relief funds shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2485

On page 2, in section 7 of the amendment, strike "principle".

AMENDMENT NO. 2486

On page 2, in section 7 of the amendment, strike "principal".

AMENDMENT NO. 2487

On page 1 of the amendment, strike all of section 7 and insert the following:

"SEC. 7. Total receipts shall include all receipts of the United States except those derived from borrowing or those of trust funds. Total outlays shall include all outlays of the United States except those for repayment of debt and those of trust fund.".

AMENDMENT NO. 2488

On page 1, in section 1 of the amendment, strike "Total outlays for any fiscal year shall not exceed total receipts for that fiscal year" and insert "Outlays from Federal funds of the United States for any fiscal year shall not exceed receipts to Federal funds of the United States for that fiscal year".

AMENDMENT NO. 2489

On page 2, after section 5 of the amendment, insert the following new section:

"SEC. 6. There shall be a Chief Financial Officer of the United States, who shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with. This Officer shall be appointed by the Speaker of the House and the President Pro Tempore of the Senate and shall hold office during the term of four years. This Officer shall by December 15 of every year transmit to the President and the Congress the economic assumptions that this officer views as appropriate for calculation of the budget during the fiscal year beginning in the following calendar year. The President and the Congress shall use these economic assumptions in the preparation of the budget for that fiscal year. The Congress may, by appropriate legislation, delegate to this officer the power to order uniform cuts in funding for specified Government programs.".

AMENDMENT NO. 2490

On page 2, after section 5 of the amendment, insert the following new section:

"SEC. 6. The Congress may by concurrent resolution appoint an officer who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2491

On page 2, at the end of section 6 of the amendment, insert the following: "The Congress may by appropriate legislation designate who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2492

On page 2, after section 5 of the amendment, insert the following new section:

"SEC. 6. There shall be a Comptroller General appointed by the President, by and with the advice and consent of the Senate, who shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.

When a vacancy occurs in the office of Comptroller General, the Speaker of the House of Representatives and the President pro tempore of the Senate shall recommend at least three individuals to the President for appointment to the vacant office. The President may ask the Speaker and the President pro tempore to recommend additional individuals.

Except as otherwise provided in this section, the term of the Comptroller shall be 15 years. The Comptroller General may not be reappointed.

A Comptroller General may be removed at any time by joint resolution of Congress, after notice and an opportunity for a hearing, only for permanent disability, inefficiency, neglect of duty, malfeasance, or a felony or conduct involving moral turpitude; or by impeachment. A Comptroller General removed from office under this section may not be reappointed to the office.".

AMENDMENT NO. 2493

On page 2, at the end of section 6 of the amendment, insert the following: "The Comptroller General shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with.".

AMENDMENT NO. 2494

On page 2, in section 5, strike the first sentence and insert the following: "This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Chief Financial Officer estimates that the Nation will be in a period of recession during that fiscal year.".

AMENDMENT NO. 2495

On page 2, strike section 5 of the amendment, and insert the following:

"SEC. 5. This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the President, the Comptroller General, or the Congressional Budget Office estimates that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and it is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, that becomes law.".

AMENDMENT NO. 2496

On page 2, strike section 5 of the amendment, and insert the following:

"SEC. 5. This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Congress by concurrent resolution or the President finds that real economic growth will be less than one percent for two consecutive quarters during the period of these two fiscal year.".

AMENDMENT NO. 2497

On page 2, in section 5 of the amendment, after "effect", insert the following "or when necessary to prevent the rate of unemployment from exceeding 10 percent".

AMENDMENT NO. 2498

On page 2, in section 5 of the amendment, after "effect", insert the following "or when necessary to prevent the rate of unemployment from exceeding 15 percent".

AMENDMENT NO. 2499

On page 2, in section 5 of the amendment, after "effect", insert the following "or when necessary to prevent the rate of unemployment from exceeding 20 percent".

AMENDMENT NO. 2500

On page 2, strike section 6 of the amendment and insert the following:

"SEC. 6. This article shall be enforced only in accordance with appropriate legislation enacted by Congress.".

AMENDMENT NO. 2501

On page, 2, strike section 6 of the amendment and insert the following:

"SEC. 6. This article shall be enforced only in accordance with the exercise of congressional and executive powers under the first and second articles.".

AMENDMENT NO. 2502

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approved specific decreases and such bill has become law.".

AMENDMENT NO. 2503

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements of the Unemployment Trust Fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2504

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements of veterans' compensation benefits unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2505

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements veterans' pensions unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2506

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2507

On page 2 of the amendment, after section 4, insert the following new subsection:

"SEC. 3. Congress may not decrease below current services levels the disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, or any successor trust fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2508

On page 2 of the amendment, after section 4, insert the following new section:

SEC. 3. Congress may not decrease below current services levels the disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund, or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2509

On page 2 of the amendment, after section 4, insert the following new section:

SEC. 3. Congress may not decrease below current services levels the disbursements of the Black Lung Disability Trust Fund or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2510

On page 2 of the amendment, after section 4, insert the following new section:

SEC. 3. Congress may not decrease below current services levels the disbursements for Medicaid unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2511

On page 2 of the amendment, after section 4, insert the following new section:

SEC. 3. Congress may not decrease below current services levels the disbursements for farm price supports unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2512

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements for food stamps unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2513

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements for Aid to Families with Dependent Children unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2514

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements for child nutrition unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2515

On page 2 of the amendment, after section 4, insert the following new section:

"SEC. 3. Congress may not decrease below current services levels the disbursements for Supplemental Security Income unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law.".

AMENDMENT NO. 2516

On page 2, after section 4 of the amendment, insert the following new section:

"SEC. 5. If reductions in spending (other than reductions ordered by law) are required by virtue of this article, then such reductions shall first be made in payments to foreign states or persons.".

AMENDMENT NO. 2517

On page 2, after section 4 of the amendment, insert the following:

"SEC. 5. Congress may provide for payments to foreign states or persons only with the concurrence of three fifths of the Members of the House of Representatives and the Senate, duly chosen and sworn.".

AMENDMENT NO. 2518

On page 2 of the amendment, strike section 8 and insert the following:

"SEC. 8. This article shall take effect beginning with the first fiscal year beginning in the calendar year after its ratification.".

DANFORTH AMENDMENT NOS. 2519 AND 2520

(Ordered to lie on the table.)

Mr. DANFORTH submitted two amendments intended to be proposed by him to the bill S. 2733, supra, as follows:

AMENDMENT NO. 2519

At the appropriate place, insert the following:

SEC. 9. The Judicial Power of the United States shall not extend to any case or controversy arising under this article except for cases or controversies directed exclusively at implementing legislation adopted pursuant to section 6.

AMENDMENT NO. 2520

At the appropriate place, insert the following:

SEC. 9. The judicial power of the United States shall not extend to any case or controversy arising under this article except for cases or controversies seeking to define the terms used herein, or directed exclusively at implementing legislation adopted pursuant to section 6.

NOTICES OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. NUNN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold a hearing on Efforts to Combat Fraud and Abuse In the Insurance Industry: Part 6.

This hearing will take place on Thursday, July 2, 1992, at 9:30 a.m. in Room 342 of the Dirksen Senate Office Building. For further information,please contact Eleanore Hill of the Subcommittee staff at 224–3721.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, June 29, at 4:30 p.m. to hold State Department nominations hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HATE CRIMES

• Mr. SIMON. Mr. President, I want to bring the Senate's attention to the increase in our Nation of violent crimes motivated by bigotry and racial hatred. Today, I address the disturbing increase in bias related incidents affecting our Nation's school children.

Bias related incidents in public schools have been reported in 27 States across a wide range of U.S. communities. The National Center for Immigrant Students identified reports of more than 100 separate incidents in 76 schools in a recent 2-month survey of major newspapers. These incidents included interethnic fighting, racial attacks and harassment, racist graffiti, and the distribution of racist publications. A majority of the reported incidents occurred in rural or suburban school districts. Here are just a few ex-

amples of these reprehensible incidents:

At a Boise, ID, high school, a skinhead group's appearance coincided with the distribution of racist and anti-Semitic literature.

In a middle school in Maryland, two white seventh graders sprayed an African-American girl with Lysol.

The Los Angeles County Public School System reported in an October 1989 survey that one-third of crimes against Latino students during the 1988 school year were anti-immigrant in nature. One-half of the 309 incidents against Asians and Pacific Islanders were also motivated by bigotry against immigrant students.

One troubling aspect of this terrible rise in hate incidents in our Nation's school system is the apparent lack of action taken by some school administrators and parents to address them. One study reports that over 15 percent of schools failed to respond to racial and ethnic incidents of violence. In one case, a school principal refused to respond to racist graffiti until students circulated a petition in protest. Also, in one case where disciplinary action was taken, no attention was given to the victim or the impact of the incident on the school community as a whole.

In many schools, administrators have taken swift and comprehensive action to address this type of hatred. In a high school in Eugene, OR, teachers and administrators responded to racial conflict by training staff on racial sensitivity, holding a school wide assembly to reinforce a strong stand against racial harassment, instituting support groups for minority students and counseling and disciplining the offending students.

Our Nation's schools must be dedicated to teaching tolerance, love and respect for people of all backgrounds and fair treatment of all. In Chicago, the Anti-Defamation League has sponsored a World of Difference Program for the last 2 years. This program seeks to reduce prejudice through workshops for teachers and students at all grade levels, K–12. The programs are interactive and address issues of prejudice, stereotyping, and personal biases. Teachers participate in discussion programs and in participatory workshops to learn how to react to racial incidents. Through model programs like this one, schools learn how to address incidents of bias related hatred swiftly and to prevent such incidents from occurring at all so that we can assure a future of racial harmony.●

TRIBUTE TO WILLIAM MCANULTY, JR., CHAIRMAN OF LOUISVILLE METRO UNITED WAY

● Mr. MCCONNELL. Mr. President, I rise today to pay tribute to a wonderful man and outstanding community leader, Mr. William McAnulty, Jr. Bill McAnulty is a living example of the kind of values and work ethic that make America the strongest Nation in the world.

Mr. McAnulty is a former Jefferson County circuit court judge and current partner in the Louisville law firm of Greenebaum, Doll & McDonald. He now heads one of the largest Metro United Way chapters in the Nation. In a time when the United Way is undergoing tremendous change and public scrutiny, Mr. McAnulty has the chapter contributing 88 cents of every dollar raised to support human services agencies in Jefferson and seven other Kentucky and Indiana counties. This Mr. President, makes his chapter one of the most effective in the Nation. In addition, the Louisville chapter has raised approximately $20 million annually in recent years.

It takes a special breed of person to lead this type of organization Mr. President, and Bill McAnulty is just that type of person. Born and raised in Indianapolis, he received his masters in arts and education from the University of Louisville. While studying in Louisville he found that he, like every one who visits the city, had fallen in love with the town. He stayed at U of L and obtained his law degree in 1972. Since that time he has served his community admirably.

As a circuit court judge in Kentucky's largest county, he served with distinction for many years. He had the unenviable task of presiding over one of the most publicized cases in Louisville's history, the double murder of two high school boys. In a case fused with racial tension and public horror, Mr. McAnulty saw it through to the end and earned praise for his management of the potentially explosive matter. In the age of Rodney King and the L.A. riots this issue is no small feat. Overall, his opinions were upheld in the appeal process over 90 percent of the time, a record which any jurist would envy.

As for his current job, Mr. McAnulty admits that it is rife with peaks and valleys. Due to the current scandal in the national United Way office, public sentiment is waning. But this challenge is nothing to a man like Bill McAnulty. In fact, he says that "In the early days I was like Don Quixote. I wanted to change things for the better. I haven't lost that." Let us hope that for the city of Louisville and all those whose lives he touches, he never does.

Mr. President, I ask my colleagues to join me in recognizing this marvelous individual and example to all. In addition, I ask that an article from the June 1, 1992, edition of Business First be included in the RECORD.

The article follows:

WILLIAM MCANULTY TAKES COUNTROVERSY HEAD ON

(By Rachael Kamuf)

William McAnulty Jr. and controversy are not strangers. After all the former Jefferson Circuit Court judge has dealt with sometimes heartwrenching disputes on almost a daily basis in the 18 years since he graduated from law school.

The experiences of the 44-year-old attorney, who presided in 1986 over the most publicized capital murder trial of that decade, have served him well in the early days of his two-year stint as chairman of the Metro United Way.

Normally, McAnulty would be concerning himself with the usual board duties involved with overseeing the agency. Metro United Way is considered to be one of the most effective United Way operations—88 cents of every dollar raised goes to support human-services agencies in Jefferson and seven other Kentucky and Indiana counties—in the country.

The job has been anything but routine, however, since the March disclosures that William Aramony had abused his position as president of United Way of America, enjoying a salary and benefits of almost $500,000, plus expensive perks.

Instead of handling requests from social-service groups for financial assistance and preparing for this year's fund-raising campaign, the Metro United Way staff, directors and other volunteers have spent most of their time and efforts dealing with the sometimes virulent reaction to the reports.

Only a handful of people have withdrawn their pledges—about $5,000 worth—to the Metro United Way, which has raised approximately $20 million annually in recent years. But questions have been asked about the agency's management, and concern exists about the impact of the national scandal on the local 1992 fall campaign.

"It has been a very difficult time," says McAnulty, an ardent defender of the Metro United Way and its president, Rob Reifsnyder. "This was not in my script when I signed on."

In the plan or not, McAnulty, a partner at Greenbaum, Doll & McDonald, has not backed away from his commitment to the organization.

Reifsnyder, who was named to the national search committee looking for Aramony's replacement, says of McAnulty:

"He has been amazing. He has been there whenever we have needed him. He could easily have said, 'I didn't bargain for this.' But he didn't. He said, 'The local United Way is strong. I need to be there.'"

United Way director Dan Lynch says the chairman responded quickly to the reports about the national operation. "Bill feels personally responsible for the effectiveness of the United Way. He has poured his heart and soul into it."

The Louisville board issued a statement condemning Aramony and chiding the national executive board for its failure to monitor the day-to-day activities and expenses of United Way of America.

The group also voted to withhold a portion of its second-quarter dues until an evaluation of the new management practices of United Way of America is completed. And looking ahead, Metro United Way officials began a public relations campaign to nullify the controversy's effect on this year's local fund-raising efforts.

Those who have worked with McAnulty on civil projects, or have watched him in action as a lawyer and judge, have no doubts about

his ability to lead the Metro United Way through what is considered to be the most difficult period in its 75-year history.

"I don't think it will be a terrible challenge for him," says attorney Frank Haddad Jr. "He has the ability to build consensus and congeal a group."

Judge Ellen Ewing says her former colleague is "up for anything he undertakes."

McAnulty compares the position he finds himself in as Metro United Way chairman to his legal practice. 'Crisis management—as a lawyer, this is what I do every day. This is that I do for a living."

Meanwhile, McAnulty's law firm has encouraged him to do whatever it takes to protect the United Way organization—no matter how long it takes.

"If it takes time, so be it," says Laramie Leatherman, managing partner of Greenebaum, Doll & McDonald. "He is asked to do things because he is respected. That spills over to the firm. It indicates there are people at Greenebaum, Doll & McDonald who are concerned about their community."

Although he is the product of an Indianapolis middle-class home, has been a success professionally and enjoys a comfortable lifestyle with his family, McAnulty can empathize with many of the people aided by the social-service groups supported by the United Way.

His mother suffers from schizophrenia. She no longer needs medication, but her condition was incorrectly diagnosed when McAnulty, the youngest of three children, was 12 years old. The result was ineffective treatment for her and long periods of hospitalization. "It made me an adult a lot earlier than I wanted to be," McAnulty says.

Ann McAnulty's condition also was a factor in her son earning a teaching degree at Indiana University in 1970. McAnulty said he always wanted to work in a field where he could "make a difference," and had a goal of becoming a special-education teacher.

After graduation, he and his bride Brenda headed south when he received a fellowship to study for the master's of arts and education degree at the University of Louisville. McAnulty says he intended to complete the fellowship and return to IU to study for a doctorate in education.

Along the way, though, two things happened; he fell in love with Louisville and decided to become a lawyer.

"I felt, politically and otherwise, lawyers can have an impact. And I felt as a lawyer, I could have an impact in more areas. . . . In the early days I was like Don Quixote. I wanted to change things for the better. I haven't lost that."

He was accepted at both the IU and U of L law schools. McAnulty says he chose to remain here because, "I decided this is where I wanted to spend the rest of my days."

McAnulty hasn't abandoned teaching altogether, however. He has taught classes at the U of L School of Law, and now spends time training young Greenebaum, Doll & McDonald associates.

The best lesson he can give is himself, Brenda McAnulty says of her husband. "He is a role model for young African-Americans," she says, mentioning that he takes advantage of any opportunity to demonstrate that race need not be a barrier to success in talks to youth and educational groups.

Eric Ison, head of the litigation division at Greenebaum, Doll & McDonald, says McAnulty has taught him and others the nuances of stereotyping.

"He will confront you in a kind way, if you use words that are not meant to be derogatory or show prejudice. It makes you wipe out certain words from your vocabulary," Ison says. "He asks you to step in the shoes of a black child who would hear such a comment."

Over the years, McAnulty has been involved in a wide variety of professional, civic and charitable organizations, ranging from the Kidney Foundation to the committee that hired Thomas Boysen to spearhead education reform in Kentucky. But children hold a special appeal to the father of two: Patrick, 16, and Kathryn, 11.

"He has always been interested in kids," says Brenda McAnulty, a professor and director of academic counseling at the Speed Scientific School.

Her husband, who spent three years as a juvenile court judge, says, "Children are truly the disenfranchised individuals in our society."

McAnulty speaks passionately about the pain that neglected and abused children carry over into adulthood, and of how inadequate medical care, housing and education affects society as a whole and individuals.

"We expect children abused as children to wipe away those memories when they become adults. We are not entitled to that expectation.

"If we divert resources we are now using for punitive uses and put it into prenatal care, preschool education and housing, we would not need so many juvenile facilities and prisons.

"We know that if kids written off as nonlearners to accommodate our failures are given the commitment they deserve, they can learn. (Educator) Marva Collins has proven that in Chicago. If such programs are funded and expanded, we can change our society dramatically."

Bigotry is another area that draws McAnulty's ire. "I don't countenance ignorance very well, I don't tolerate it, I deal with it."

Still, he admits that going up against someone who can only see the color of his skin "sometimes takes the air out of your balloon. But if you allow it to get the better of you, you're lost. And I would rather win."

McAnulty once said he was convinced that he was elected circuit judge in 1984 because most of the voters believed he was a "nice Irish-Catholic boy who grew up in the West End of Louisville."

The Presbyterian from Indianapolis admits he did not try to dispel that image. He also did not put his picture on campaign materials, which were printed in green ink. "I used to lot of green ink. With a name like McAnulty, people might think they were voting for a leprechaun."

He defends the tactic saying, "If you are not given an opportunity to prove yourself, it doesn't matter. There are some people who have preconceptions."

Judge Martin Johnstone, who served with McAnulty in both juvenile and circuit courts recalls how an opponent tried to use McAnulty's race against him and how his friend won over a potentially hostile group.

Johnstone said the meeting was held in "a pretty rough-looking, dark place. You could barely make out individual forms in the crowd. No one noticed Bill until he came out of the crowd and the spotlight was on him. You could hear a pin drop. And he said, 'I understand there is a rumor going around about me. As you can see it is true.' Everyone broke up. When it was all over everyone crowded around him."

Johnstone echoes others when he says voters won when they elected McAnulty to the bench.

Haddad, who appeared before Judge McAnulty on numerous occasions, says: "I found Bill to be a very highly qualified, moral, intelligent judge. He allowed everyone to make their points, ruled quickly and very competently, He was a judge's judge."

William McAnulty the judge will always be remembered as the person who presided in the trials of two inner-city youths accused of the kidnapping and gruesome murder of two Trinity High School students in 1984.

The case, which eventually was transferred to Lexington because of publicity, had racial overtones because the victims where white and accused, George Ellis Wade and Victor Dewayne Taylor, black.

McAnulty was not chosen to hear the case; his name came up in a routine draw for assignments by the chief judge. Johnstone refers to it as the "unluck of the draw."

McAnulty could have stepped down, though, when the defendants were granted a change in venue. He says he stayed on, because after going through the pretrial proceeding for 1½ years, it would have been unfair to another judge and the people involved to bring in someone unfamiliar with the case.

In retrospect, Johnstone says, McAnulty may have been the best candidate for the job because of his skin colar, and judicial temperament and abilities. "He conducted a fair trial for all involved."

A low point in the proceedings for McAnulty was listening to a radio call-in show after Wade, who testified against Taylor and stood trial first, was sentenced to life in prison. The caller said the reason Wade didn't receive the death penalty was because the judge and prosecutor (Ernie Jasmin) were black.

Taylor, however, was sentenced to die in the electric chair for shooting Scott Christopher Nelson and Richard David Stephenson.

The Taylor sentencing was especially difficult for McAnulty, who personally opposes the death penalty. He could have ignored the jury's recommendation and sentenced Taylor to life imprisonment, but McAnulty says:

"I took an oath when I agreed to sit on the bench to uphold the laws of this commonwealth. After considering the alternatives available and the circumstances involved, that particular punishment was necessary."

The Wade verdict, in McAnulty's opinion, was also correct.

"I think he aged 10 years going through those trials," Brenda McAnulty says.

Earlier this year, Taylor's conviction and death penalty were upheld by the U.S. Supreme Court without comment.

The stress of those trials was a factor in McAnulty's decision to step down from the bench when his term expired at the end of 1989.

"I sort of lost the freshness I felt was needed for undertaking that kind of a job. It is not exactly a pleasant job," says McAnulty, who was the judge in 13 murder cases. The jury in the Taylor proceeding was the only one that recommended the death penalty.

In the years since his 1974 graduation from the U of L law school, McAnulty—a former secretary of the Kentucky Department of Justice—had worked for the city, been a judge and a consultant for the Arthur D. Little Co., but had never been in private practice.

In addition to the experience, McAnulty says he was looking for financial security for his family when he decided to join a law firm. "It sounds insensitive and obnoxious when you say you can't raise and educate

your children on $61,200," the salary for a circuit judge in 1989. "But I want to provide for my children without mortgaging myself out of existence."

Robert Doll, retired managing partner of Greenebaum, Doll & McDonald, said McAnulty was offered a partnership there because "we had been impressed by his legal ability as well as his personality. He studies the law. He is a good listener and a careful thinker. When he takes a position, he is well-prepared."

During his years as a judge, appellate courts affirmed McAnulty in more than 90 percent of the cases he heard. He is proud of that record, but says there were instances when he looked at reversal rulings, "slapped myself and said, 'You dummy.'

"Law is not a science. It is not a simple thing," McAnulty says.

Still, he says, nothing is worse than being around a judge who has been overturned. He then goes into a pantomime to describe how a judge opens the telltale letter from an appellate court, looking for the words "affirmed" or "reversed."

McAnulty's sense of humor, whether aimed at himself or others, is a great source of fun for his friends.

"He is a funny man. He could roll into the Comedy Club and be a stand-up comic," says Lynch, general manager of Philip Morris USA. "Reverence is not Bill's strong suit."

Almost everyone has a favorite story about McAnulty, whether it be the one about the campaign posters—depicting Judge Ewing as an elderly woman with no teeth smoking a corncob pipe—that he distributed throughout the Hall of Justice, or the times he left telephone messages, purportedly from the governor or other elected officials, for an unsuspecting Johnstone.

Another often repeated anecdote involves the "Things Are Well in Fairdale" bumper sticker that McAnulty did not discover for two weeks after Johnstone put it on his old BMW.

"He couldn't understand why all these strangers were honking and waving," says Johnstone, who grew up in the Fairdale area.

No Bill McAnulty story would be complete without a report on his prowess, or lack thereof, on the golf course. "He lives up to his (high) handicap," is Reifsnyder's evaluation.

Lynch, who plays with McAnulty almost every Saturday, refers to him as "my personal annuity. I have to give him strokes just to keep it even."

McAnulty, according to Lynch, spends almost every Saturday trying to antagonize a Golden Retriever who lives near the 15th hole of the Standard Country Club. Whenever they approach the spot, he says, the dog begins barking. McAnulty barks back. "I have trouble concentrating. I'm trying to play, and here is this dog barking his head off. I think Bill is trying to screw me up."

Reifsnyder says McAnulty uses golf to help break the tension at points when he is feeling particularly down because of the problems the Metro United Way is facing. "He says something that gets me laughing."

Such as the first time they hit the links together. They were at the last hole, and as Reifsnyder was sizing up the putt that could win him the match, he says McAnulty said: "'Don't let the fact that I chaired the committee that hired you, or that I will have a great effect on your future here bother you.'"

Reifsnyder sank the putt, and said, "I won't."

Helping him to smile during a difficult period is one of the reasons Reifsnyder says he has "been blessed" to have McAnulty as chairman during the current crisis.

"I value him as a friend as well as a boss," Reifsnyder says. "Every chairman we have had was right for the time, and Bill is no exception. He has reminded us that we must deal with our normal functions as well. That has helped us keep the organization on track and not sidetracked by what is happening elsewhere."

BIO: William McAnulty, Jr.,

Title: Chairman, Metro United Way.

Age: 44.

Hometown: Indianapolis.

Education: Bachelor's degree, Indiana University, master's and law degrees, University of Louisville.

Family: Wife, Brenda, Children: Patrick, 16, and Kathryn, 11.●

COLUMBUS, NY, QUINCENTENNIAL

● Mr. D'AMATO. Mr. President, I rise today in support of the quincentennial celebration of Columbus, NY. The town of Columbus, NY, will be hosting the Mount Rushmore Flag Raising Ceremony and procession of nine peace flags on Saturday, July 4, 1992, to commemorate the landing of Christopher Columbus 500 years ago.

Christopher Columbus had a lifelong dream, "the enterprise of the east." His persistence in living out that dream is testimony to the bold vision of a great man who was willing to overcome any obstacle in the way of his great goal. During Columbus' four voyages, he discovered many lands which opened the way to a new world. His quest later spurred the immigration that made America the great Nation that it is today. We are all the beneficiaries of the legacy of Columbus.

This year marks the 500th anniversary of Christopher Columbus' voyage to the new world. This weekend will witness a whole host of celebrations which will be part of a national celebration of this quincentennial. One special town in America will register this particular anniversary with, perhaps, a little more significance than some others, and that town is Columbus, NY.

New York is 1 of 24 States to have a community named for Christopher Columbus. Columbus, NY, is recognized as the oldest Columbus in the United States by Discovery 92. As such, it is only right that we recognize Columbus, NY, as a historic location for quincentennial activities. This very appropriate community will embody our desire for a meaningful commemoration of half of a millennium with cultural, historical, educational, and recreational activities and events during the quincentennial period.

Mr. President, I ask my colleagues to join me in supporting the quicentennial celebration of Columbus, NY, this weekend.●

MAKING A LIVING OFF THE DYING

● Mr. SIMON. Mr. President, recently, I read an article that appeared in the New York Times written by a physician titled, "Making a Living Off the Dying."

It is a disconcerting article, both from the viewpoint of simple humanitarianism and from the viewpoint of sound use of dollars.

There is no question that we waste far too much money on those who are dying, who would prefer to die in simple dignity, and we do not give them that dignity.

This article appeared in April. Ordinarily, I see the New York Times each day but somehow missed this article, and my brother Arthur Simon sent it to me. I am grateful to him for doing it.

I am also grateful to Dr. Norman Paradis, the courageous author of this article, who also is director of emergency medicine research at New York University-Bellevue Hospital.

I urge my colleagues to read the article, and I urge our friends at the Medicare office to reexamine what we are doing in this field.

I am sending a copy of my remarks to the Social Security Commissioner and will insert into the RECORD the response of the Commissioner when I receive it.

I ask to insert Dr. Paradis' article into the RECORD at this point.

The article follows:

[From the New York Times, Apr. 25, 1992]

MAKING A LIVING OFF THE DYING

(By Norman Paradis)

It has been more than a year since my father died, and I have come to believe that the circumstances of his death demonstrate much of what is wrong with our medical system.

As I grew up, I heard so much about what a good and gentle physician my father was that at first I ran from the idea of becoming a physician myself. But at 35, I was well along in my own medical career and with pride brought him to Britain to hear me deliver a paper. He had trained there and wanted to find out what had become of his classmates. He seemed to lose some vitality when he heard they were all dead. In perfect health his whole life, he began to complain of back pain.

In the United States, he was examined by several internists. All his blood tests were normal, and they declared him healthy. Yet the pain persisted. We felt it might be spinal irritation and arranged for a neurologist to see him. This doctor said his CAT scan was normal, and he was reassuring; it may just be a pinched nerve, he said. "Your father is 75 years old, but doesn't look a day over 50." How could he know that just months earlier he had looked 40?

My mother called regularly. "He doesn't look well and has no appetite." Relatives agreed. His physicians did not. Then he developed a blood clot and was admitted to the university hospital. Blood clots are a sign of cancer, and I insisted that they work him up from head to toe. Another CAT scan showed a lesion in the pancreas, and others in the liver. Waves of pain passed over me as I realized that back pain, weight loss and bloods clots were the classic triad of pancreatic cancer.

I flew to his home to see him. Years of training did not prepare me to see my father

ill. He looked old and frail. I went to radiology to see the CAT scan. When I put it in the light box, I knew that my father would soon die.

I asked the rest of the family to step outside so he and I could be alone. I could not stop my tears. He held me and whispered that everything would be O.K. "Norman, I have been a surgeon for almost 50 years," he said. "In that time, I have seen physicians torture dying patients in vain attempts to prolong life. I have taken care of you most of your life. Now I must ask for your help. Don't let them abuse me. No surgery, no chemotherapy."

I assured him I would take care of everything. Before returning to New York, I thought I had made our wishes clear to his doctors: treat the clot, get a biopsy if possible, but, above all, make him comfortable. Almost immediately, a series of surgical and radiological procedures started.

When hysterical phone calls from my mother began, I quickly realized what was going on. Consulting surgeons get paid thousands of dollars an hour when they "decide" to operate. So that was what they were deciding to do. It's an old story of inflated fees charged by sub-specialists with procedure-based practices.

When I finally got my father's physicians on the phone, I insisted that he be cared for only by internists who had no incentive to do anything but make him comfortable. They assured me they understood my concerns and would keep in close contact. I never heard from them again.

My mother continued to describe procedures that were draining his energy. When my brother, a lawyer, arrived, he found our father in a hallway where he had been left after "a test." He pleaded: "They are treating me like an animal. Please get me out of here."

With difficulty, my brother contacted the physicians in charge and was assured things would improve. We said legal things about performing procedures without consent, and thought the problem was solved.

I can't describe the anger I felt when my mother called to say that they had continued the endless procedures as soon as we left. My father had been in the hospital for two weeks. He had spent most of that time receiving unnecessary "bilable" high-tech therapy that could not possibly cure him or relieve his pain. Many things had been done to correct problems caused by earlier "therapies." When my mother put him on the phone, he was incoherent.

We arranged a conference call with the hospital administrator and chief of staff. The surgeons were "too busy" to come to the phone. "Despite our clear instructions, you have continued to perform invasive procedures on our father," my brother said. "He is now incompetent, so we are invoking our power of attorney and explicitly forbidding you from doing anything that is not directed at relieving his suffering."

After my mother called the next morning to say he had again spent the night undergoing surgery, I called almost every other hospital in his state trying to arrange a transfer. Again and again, I was assured that he was "in the best of hands" and that I must be mistaken in describing his therapy as unacceptable. Each time we arranged to move him home or to a hospice, a test or procedure would be performed, making him temporarily too unstable to be transported.

When I again flew down, I found my father alone in a hallway after an ultra-sound exam. He was skeletal and barely arousable. I moved him back to his room. Within hours, my sister and I had him moved to a nearby hospice. He died the next morning.

For months, I lay awake trying to understand what had gone wrong. If a doctor and a lawyer could not get decent care for a doctor, what chance does the public have?

When I asked by mother if the hospital bills were a hardship, she said Medicare had paid for the whole thing—more than $150,000 on a patient who needed only a bed and some morphine. I called the Medicare inspector general's office. It agreed that if the hospital had billed for unauthorized procedures it was possibly a violation. "In that state, we have so many fraud cases over a million dollars that we wouldn't even investigate one involving only $150,000," I was told.

Our health care system is structured to meet reimbursement rather than patients' needs. Tremendous amounts of money are spent prolonging death, not life. If the story of my father's suffering can help improve our medical system, it will have been worth telling. Though I was unable to get him the care he deserved. I believe he would forgive me.•

THE 90TH ANNIVERSARY OF SURPRISE LAKE CAMP

• Mr. MOYNIHAN. Mr. President, this October 24, the New York Jewish community will celebrate the 90th anniversary of Surprise Lake Camp. Manhattan Borough President Ruth Messinger, herself an alumna of this dynamic program, will be the keynote speaker on this special occasion. Even the Members of the Senate who have not heard of Surprise Lake Camp are familiar with some of its famous graduates, including entertainer Eddie Cantor, playwright Neil Simon, and New York Attorney General Robert Abrams.

Mr. President, I ask that a brief history of Surprise Lake Camp be printed in the CONGRESSIONAL RECORD. I am sure my colleagues will join me in saluting this exciting camp on its 90th anniversary.

The history follows:

SURPRISE LAKE CAMP

Surprise Lake Camp was founded in 1902 by the Educational Alliance to provide fresh air and outdoor recreation for young boys from the teeming, congested tenements of the Lower East Side. "They scooped us up off the parched summer streets of New York and sent us to heaven," wrote Eddie Cantor who spent several weeks at the camp in 1903 and 1904.

"I became a camp clown in the hope that I'd be held over for more than the two weeks. It worked." After he became famous, Cantor lent his name and devoted a great deal of energy to fund-raising efforts on behalf of the camp. A 1000-seat outdoor amphitheater was named in his honor, and the story of his relationship to Surprise Lake Camp is still told at the end of each camping session.

PROUD HISTORY AND TRADITION

In its ninety years, Surprise Lake Camp has grown from an initial six tents for 25 campers and five counselors to over 200 structures for 450 campers and a staff of 200. Located on 750 wooded acres near Cold Spring, New York, the camp features a sliding fee scale based on family size and income. Last year it provided over $450,000 in fee reductions, which it believes makes it the most generous Jewish scholarship camp in the country.

Surprise Lake Camp has a special tradition for providing assistance to Jewish immigrants. It began in the early 1900's, and it still persists today as emigres from the former Soviet Union now comprise nearly 20% of the camp population.

But it doesn't just serve children in need. Approximately a third of its families pay full fee, and most of them choose Surprise Lake Camp over more expensive private camps because of its outstanding reputation and special emphasis on helping children achieve personal growth and character development.

Its size, diversity, and longevity have given this agency an unusual opportunity to impact New York's Jewish community. "Although they may not realize it, virtually everybody knows someone who went to Surprise Lake Camp," says Executive Director Jordan Dale. "When new staff members start telling friends and family where they'll be working for the summer, they inevitably hear: "That's the camp so-and-so went to."

Some of the "so-and-so's" who are included among those who went to the camp include singer Neil Diamond, comedian Jerry Stiller, playwright Neil Simon, and New York Attorney General Robert Abrams. "We are proud of how successful so many of our alumni have become," says Dale, "not only the ones who make headlines, but also the businessmen and professionals who are productive, hard-working members of the community and who epitomize the kind of character and values camp seeks to instill."

BOARD MEMBERS RUTH MESSINGER AND LEONARD MARX

The agency is also proud of its Board of Directors, which counts Borough President Messinger among its ranks. Indeed, not only is Ms. Messinger a Board member, but so is her mother and so was her grandfather before her. Both have served terms as Board President.

This kind of multigenerational affiliation is not unique on the Surprise Lake Camp Board. Ms. Messinger is one of eight current members who had a parent on the Board before them. She is also one of 26 members who have served for more than ten years. Eight of these senior members are also Past Presidents.

This unprecedented continuity of leadership is exemplified by the Ninetieth Anniversary's Honorary Chairperson, Leonard Marx. Originally a counselor at Surprise Lake Camp himself, Mr. Marx has gone on to achieve extraordinary success in real estate. His tenure on the Board spans some 45 years, including a term as President. His outstanding financial leadership during this period is the foundation that has made it possible for the camp to enter its 90th year with a balanced budget, an achievement few nonprofits can match in this era of recession and runaway cuts in government funding.

STAFF MEMBERS TO BE HONORED

At its 90th Anniversary event, the camp will honor two men who have made outstanding contributions as staff members. One is Asher Melzer, a former Director of Surprise Lake Camp for over 20 years and currently the Director of Camping Services for UJA-Federation. During his years at Surprise Lake, Mr. Melzer supervised the complete rebuilding of the camp, which included the original construction of the Eddie Cantor Theater. He also pioneered many innovations, including the hiring of Israelis as counselors, a practice since adopted throughout the Jewish camping field. He is currently

recognized as a top authority on Jewish camping both at home and abroad. Two years ago, in fact, he assisted with the formation of a new children's camp for the Jewish community of Hungary.

The other honoree is Harry Vogel, a member of the current staff who has worked at the camp for an incredible forty consecutive summers. "Harry is destined to become one of camp's legends," says Dale. "After 40 years, he still works harder and gives more of himself than anyone else on the staff." Known simply as "Harry" to everyone connected with camp, this remarkable man takes only one hour off a day throughout the summer during which he can usually be found windsurfing on the lake with his favorite passenger—the camp dog, Bear, who rides gamely alongside him on the board.

The Ninetieth Anniversary Dinner Dance will be filled with many stories and special memories about Surprise Lake Camp as it proudly celebrates its long and colorful history of service to the New York City Jewish Community. The event will take place on Saturday evening, October 24th at the Holiday Inn, Crowne Plaza in mid-town Manhattan, and it will be attended by hundreds of alumni as well as many leaders from organized camping, Jewish Communal Services, and the community at large.•

IGNACY JAN PADEREWSKI'S RETURN TO POLAND

• Mr. SIMON. Mr. President, on July 5, 1992, the remains of Ignacy Jan Paderewski will be placed in a crypt at the St. John Cathedral in Warsaw, Poland. Today, June 29, his remains will be removed from his burial site of 51 years, from the mast of the U.S.S. *Maine* at Arlington National Cemetery. The return of his remains will fulfill the final wishes of Paderewski and his sister, Antonia Wilkonska, and will also represent an important day for all Poles and Polish-Americans alike.

Ignacy Jan Paderewski was a great composer and an equally great statesman. Mr. Paderewski raised a great amount of money for Polish relief, helped to recruit over 22,000 Poles in America who were not U.S. citizens to fight for the Allies in World War I, and signed the Treaty of Versailles for Poland. Paderewski even convinced President Woodrow Wilson to include a point in the Treaty of Versailles that stated Poland should be a free and independent nation. He died June 29, 1941, unable to be buried in a free Poland. As President Roosevelt directed, Mr. Paderewski's body was to be entombed at Arlington National Cemetery only until Poland was free. Little did we know in 1941 that Jan Paderewski would have to wait so long. Now, after years of Nazi and Soviet domination, Poland is a free and democratic country.

As Paderewski had wanted, his heart will remain where his life was, in the United States. As is customary in the old European tradition, his heart will be enshrined at Our Lady of Czestochowa in Doylestown, PA. In this sense, although Paderewski is finally going home, a part of him will remain in the country that he adopted as his home.

Ignacy Jan Paderewski did great work to help Poland what it is today. Through his music, he has also enriched the lives of countless other people. Poles all over the world are proud of compatriots such as Paderewski. Throughout Poland they are now able to experience the freedom that Paderewski had worked for during his lifetime. We share the Polish people's love of freedom and their great admiration for Paderewski. This honor is truly deserved.•

U.N. SECRETARY GENERAL ON PAYING FOR PEACEKEEPING

• Mr. SIMON. Mr. President, on June 17, 1992, Mr. Boutros Boutros-Ghali, the U.N. Secretary General, sent a remarkable report to the General Assembly and Security Council entitled "An Agenda for Peace." It is well worth the time of each Member of this body to read his address.

Boutros-Ghali covers a number of topics, from peacekeeping to peacemaking to peacebuilding, with some intriguing ideas about financing U.N. operations in these areas, such as a U.N. Peace Endowment Fund of $1 billion to finance the initial costs of authorized peacekeeping operations and other activities to resolve conflict.

But I want to highlight here one area in particular. Some of my colleagues have heard me speak of the need to find a way to pay for the increasing number of U.N. peacekeeping operations that have multiplied in the past few years, and promise to grow still further. I have introduced a bill, S. 2560, that would pay for our contributions to international peacekeeping out of national defense funds, instead of our current procedure where the money comes from international affairs funds. The money for peacekeeping for next year is about one-tenth of 1 percent of the defense budget functions, 050. Compare that to the State Department budget, which is part of the international affairs budget function, 150, where the expenditure for peacekeeping would equal about 10 percent of that agency's budget. That is quite a difference.

In his report, Mr. Boutros-Ghali says:

> I strongly support proposals in some Member States for their peacekeeping contributions to be financed from defense, rather than foreign affairs, budgets and I recommend such action to others. I urge the General Assembly to encourage this approach.

Mr. President, I ask that U.N. Secretary-General Boutros-Ghali's report be printed in the RECORD in full, and I commend his wisdom to my colleagues.

The report follows:

AN AGENDA FOR PEACE: PREVENTIVE DIPLOMACY, PEACEMAKING AND PEACE-KEEPING

(Report of the Secretary-General pursuant to the statement adopted by the Summit Meeting of the Security Council on 31 January 1992)

INTRODUCTION

1. In its statement of 31 January 1992, adopted at the conclusion of the first meeting held by the Security Council at the level of Heads of State and Government, I was invited to prepare, for circulation to the Members of the United Nations by 1 July 1992, an "analysis and recommendations on ways of strengthening and making more efficient within the framework and provisions of the Charter the capacity of the United Nations for preventive diplomacy, for peacemaking and for peace-keeping."[1]

2. The United Nations is a gathering of sovereign States and what it can do depends on the common ground that they create between them. The adversarial decades of the cold war made the original promise of the Organization impossible to fulfill. The January 1992 Summit therefore represented an unprecedented recommitment, at the highest political level, to the Purposes and Principles of the Charter.

3. In these past months a conviction has grown, among nations large and small, that an opportunity has been regained to achieve the great objectives of the Charter—a United Nations capable of maintaining international peace and security, of securing justice and human rights and of promoting, in the words of the Charter, "social progress and better standards of life in larger freedom". This opportunity must not be squandered. The Organizations must never again be crippled as it was in the era that has now passed.

4. I welcome the invitation of the Security Council, early in my tenure as Secretary-General, to prepare this report. It draws upon ideas and proposals transmitted to me by Governments, regional agencies, non-governmental organizations, and institutions and individuals from many countries. I am grateful for these, even as I emphasize that the responsibility for this report is my own.

5. The sources of conflict and war are pervasive and deep. To reach them will require our utmost effort to enhance respect for human rights and fundamental freedoms, to promote sustainable economic and social development for wider prosperity, to alleviate distress and to curtail the existence and use of massively destructive weapons. The United Nations Conference on Environment and Development, the largest summit ever held, has just met at Rio de Janerio. Next year will see the second World Conference on Human Rights. In 1994 Population and Development will be addressed. In 1995 the World Conference on Women will take place, and a World Summit for Social Development has been proposed. Throughout my term as Secretary-General I shall be addressing all these great issues. I bear them all in mind as, in the present report, turn to the problems that the Council has specifically requested I consider: preventive diplomacy, peacmaking and peace-keeping—to which I have added a closely related concept, post-conflict peacebuilding.

6. The manifest desire of the membership to work is a new source of strength in our common endeavour. Success is far from certain, however. While my report deals with ways to improve the Organization's capacity

Footnotes at end of article.

to pursue and preserve peace, it is crucial for all Member States to bear in mind that the search for improved mechanisms and techniques will be of little significance unless this new spirit of commonality is propelled by the will to take the hard decisions demanded by this time of opportunity.

7. It is therefore with a sense of moment, and with gratitude, that I present this report to the members of the United Nations.

I. THE CHANGING CONTEXT

8. In the course of the past few years the immense ideological barrier that for decades gave rise to distrust and hostility—and the terrible tools of destruction that were their inseparable companions—has collapsed. Even as the issues between States north and south grow more acute, and call for attention at the highest levels of government, the improvement in relations between States east and west affords new possibilities, some already realized, to meet successfully threats to common security.

9. Authoritarian regimes have given way to more democratic forces and responsive Governments. The form, scope and intensity of these processes differ from Latin America to Africa to Europe to Asia, but they are sufficiently similar to indicate a global phenomenon. Parallel to these political changes, many States are seeking more open forms of economic policy, creating a world-wide sense of dynamism and movement.

10. To the hundreds of millions who gained their independence in the surge of decolonization following the creation of the United Nations, have been added millions more who have recently gained freedom. Once again new States are taking their seats in the General Assembly. Their arrival reconfirms the importance and indispensability of the sovereign State as the fundamental entity of the international community.

11. We have entered a time of global transition marked by uniquely contradictory trends. Regional and continental associations of States are evolving ways to deepen cooperation and ease some of the contentious characteristics of sovereign and nationalistic rivalries. National boundaries are blurred by advanced communications and global commerce, and by the decisions of States to yield some sovereign prerogatives to larger, common political associations. At the same time, however, fierce new assertions of nationalism and sovereignty spring up, and the cohesion of States is threatened by brutal ethnic, religious, social, cultural, or linguistic strife. Social peace is challenged on the one hand by new assertions of discrimination and exclusion and, on the other, by acts of terrorism seeking to undermine evolution and change through democratic means.

12. The concept of peace is easy to grasp; that of international security is more complex, for a pattern of contradictions has arisen here as well. As major nuclear Powers have begun to negotiate arms reduction agreements, the proliferation of weapons of mass destruction threatens to increase and conventional arms continue to be amassed in many parts of the world. As racism becomes recognized for the destructive force it is and as apartheid is being dismantled, new racial tensions are rising and finding expression in violence. Technological advances are altering the nature and the expectation of life all over the globe. The revolution in communications has untied the world in awareness, in aspiration and in greater solidarity against injustice. But progress also brings new risks for stability: Ecological damage, disruption of family and community life, greater intrusion into the lives and rights of individuals.

13. This new dimension of insecurity must not be allowed to obscure the continuing and devastating problems of unchecked population growth, crushing debt burdens, barriers to trade, drugs and the growing disparity between rich and poor. Poverty, disease, famine, oppression and despair abound, joining to produce 17 million refugees, 20 million displaced persons and massive migrations of peoples within and beyond national borders. These are both sources and consequences of conflict that require the ceaseless attention and the highest priority in the efforts of the United Nations. A porous ozone shield could pose a greater threat to an exposed population than a hostile army. Drought and disease can decimate no less mercilessly than the weapons of war. So at this moment of renewed opportunity, the efforts of the Organization to build peace, stability and security must encompass matters beyond military threats in order to break the fetters of strife and warfare that have characterized the past. But armed conflicts today, as they have throughout history, continue to bring fear and horror to humanity, requiring our urgent involvement to try to prevent, contain and bring them to an end.

14. Since the creation of the United Nations in 1945, over 100 major conflicts around the world have left some 20 million dead. The United Nations was rendered powerless to deal with many of these crises because of the vetoes—279 of them—cast in the Security Council, which were a vivid expression of the divisions of that period.

15. With the end of the cold war there have been no such vetoes since 31 May 1990, and demands on the United Nations have surged. Its security arm, once disabled by circumstances it was not created or equipped to control, has emerged as a central instrument for the prevention and resolution of conflicts and for the preservation of peace. Our aims must be:

To seek to identify at the earliest possible stage situations that could produce conflict, and to try through diplomacy to remove the sources of danger before violence results;

Where conflict erupts, to engage in peacemaking aimed at resolving the issues that have led to conflict;

Through peace-keeping, to work to preserve peace, however fragile, where fighting has been halted and to assist in implementing agreements achieved by the peacemakers;

To stand ready to assist in peace-building in its differing contexts: rebuilding the institutions and infrastructures of nations torn by civil war and strife; and building bonds of peaceful mutual benefit among nations formerly at war;

And in the largest sense, to address the deepest causes of conflict: economic despair, social injustice and political oppression. It is possible to discern an increasingly common moral perception that spans the world's nations and peoples, and which is finding expression in international laws, many owing their genesis to the work of this Organization.

16. This wider mission for the world Organization will demand the concerted attention and effort of individual States, of regional and non-governmental organizations and of all of the United Nations system, with each of the principal organs functioning in the balance and harmony that the Charter requires. The Security Council has been assigned by all Member States the primary responsibility for the maintenance of international peace and security under the Charter. In its broadest sense this responsibility must be shared by the General Assembly and by all the functional elements of the world Organization. Each has a special and indispensable role to play in an integrated approach to human security. The Secretary-General's contribution rests on the pattern of trust and cooperation established between him and the deliberative organs of the United Nations.

17. The foundation-stone of this work is and must remain the State. Respect for its fundamental sovereignty and integrity are crucial to any common international progress. The time of absolute and exclusive sovereignty, however, has passed; its theory was never matched by reality. It is the task of leaders of States today to understand this and to find a balance between the needs of good internal governance and the requirements of an ever more interdependent world. Commerce, communications and environmental matters transcend administrative borders; but inside those borders is where individuals carry out the first order of their economic, political and social lives. The United Nations has not closed its door. Yet if every ethnic, religious or linguistic group claimed statehood, there would be no limit to fragmentation, and peace, security and economic well-being for all would become ever more difficult to achieve.

18. One requirement for solutions to these problems lies in commitment to human rights with a special sensitivity to those of minorities, whether ethnic, religious, social or linguistic. The League of Nations provided a machinery for the international protection of minorities. The General Assembly soon will have before it a declaration on the rights of minorities. That instrument, together with the increasingly effective machinery of the United Nations dealing with human rights, should enhance the situation of minorities as well as the stability of States.

19. Globalism and nationalism need not be viewed as opposing trends, doomed to spur each other on to extremes of reaction. The healthy globalization of contemporary life requires in the first instance solid identities and fundamental freedoms. The sovereignty, territorial integrity and independence of States within the established international system, and the principle of self-determination for peoples, both of great value and importance, must not be permitted to work against each other in the period ahead. Respect for democratic principles at all levels of social existence is crucial: in communities, within States and within the community of States. Our constant duty should be to maintain the integrity of each while finding a balanced design for all.

II. DEFINITIONS

20. The terms preventive diplomacy, peacemaking and peace-keeping are integrally related and as used in this report are defined as follows:

Preventive diplomacy is action to prevent disputes from arising between parties, to prevent existing disputes from escalating into conflicts and to limit the spread of the latter when they occur.

Peacemaking is action to bring hostile parties to agreement, essentially through such peaceful means as those foreseen in Chapter VI of the Charter of the United Nations.

Peace-keeping is the deployment of a United Nations presence in the field, hitherto with the consent of all the parties concerned, normally involving United Nations military and/or police personnel and frequently civil-

ians as well. Peace-keeping is a technique that expands the possibilities for both the prevention of conflict and the making of peace.

21. The present report in addition will address the critically related concept of post-conflict peace-building—action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict. Preventive diplomacy seeks to resolve disputes before violence breaks out; peacemaking and peace-keeping are required to halt conflicts and preserve peace once it is attained. If successful, they strengthen the opportunity for post-conflict peace-building, which can prevent the recurrence of violence among nations and peoples.

22. These four areas for action, taken together, and carried out with the backing of all Members, offer a coherent contribution towards securing peace in the spirit of the Charter. The United Nations has extensive experience not only in these fields, but in the wider realm of work for peace in which these four fields are set. Initiatives on decolonization, on the environment and sustainable development, on population, on the eradication of disease, on disarmament and on the growth of international law—these and many others have contributed immeasurably to the foundations for a peaceful world. The world has often been rent by conflict and plagued by massive human suffering and deprivation. Yet it would have been far more so without the continuing efforts of the United Nations. This wide experience must be taken into account in assessing the potential of the United Nations in maintaining international security not only in its traditional sense, but in the new dimensions presented by the era ahead.

III. PREVENTIVE DIPLOMACY

23. The most desirable and efficient employment of diplomacy is to ease tensions before they result in conflict—or, if conflict breaks out, to act swiftly to contain it and resolve its underlying causes. Preventive diplomacy may be performed by the Secretary-General personally or through senior staff or specialized agencies and programs, by the Security Council or the General Assembly, and by regional organizations in cooperation with the United Nations. Preventive diplomacy requires measures to create confidence; it needs early warning based on information gathering and informal or formal fact-finding; it may also involve preventive deployment and, in some situations, demilitarized zones.

Measures to build confidence

24. Mutual confidence and good faith are essential to reducing the likelihood of conflict between States. Many such measures are available to Governments that have the will to employ them. Systematic exchange of military missions, formation of regional or subregional risk reduction centers, arrangements for the free flow of information, including the monitoring of regional arms agreements, are examples. I ask all regional organizations to consider what further confidence-building measures might be applied in their areas and to inform the United Nations of the results. I will undertake periodic consultations on confidence-building measures with parties to potential, current or past disputes and with regional organizations, offering such advisory assistance as the Secretariat can provide.

Fact-finding

25. Preventive steps must be based upon timely and accurate knowledge of the facts. Beyond this, an understanding of developments and global trends, based on sound analysis, is required. And the willingness to take appropriate preventive action is essential. Given the economic and social roots of many potential conflicts, the information needed by the United Nations now must encompass economic and social trends as well as political developments that may lead to dangerous tensions.

(a) An increased resort to fact-finding is needed, in accordance with the Charter, initiated either by the Secretary-General, to enable him to meet his responsibilities under the Charter, including Article 99, or by the Security Council or the General Assembly. Various forms may be employed selectively as the situation requires. A request by a State for the sending of a United Nations fact-finding mission to its territory should be considered without undue delay.

(b) Contacts with the Governments of Member States can provide the Secretary-General with detailed information on issues of concern. I ask that all Member States be ready to provide the information needed for effective preventive diplomacy. I will supplement my own contacts by regularly sending senior officials on missions for consultations in capitals or other locations. Such contacts are essential to gain insight into a situation and to assess its potential ramifications.

(c) Formal fact-finding can be mandated by the Security Council or by the General Assembly, either of which may elect to send a mission under its immediate authority or may invite the Secretary-General to take the necessary steps, including the designation of a special envoy. In addition to collecting information on which a decision for further action can be taken, such a mission can in some instances help to defuse a dispute by its presence, indicating to the parties that the Organization, and in particular the Security Council, is actively seized of the matter as a present or potential threat to international security.

(d) In exceptional circumstances the Council may meet away from Headquarters as the Charter provides, in order not only to inform itself directly, but also to bring the authority of the Organization to bear on a given situation.

Early warning

26. In recent years the United Nations system has been developing a valuable network of early warning systems concerning environmental threats, the risk of nuclear accident, natural disasters, mass movements of populations, the threat of famine and the spread of disease. There is a need, however, to strengthen arrangements in such a manner that information from those sources can be synthesized with political indicators to assess whether a threat to peace exists and to analyse what action might be taken by the United Nations to alleviate it. This is a process that will continue to require the close cooperation of the various specialized agencies and functional offices of the United Nations. The analyses and recommendations for preventive action that emerge will be made available by me, as appropriate, to the Security Council and other United Nations organs. I recommend in addition that the Security Council invite a reinvigorated and restructured Economic and Social Council to provide reports, in accordance with Article 65 of the Charter, on those economic and social developments that may, unless mitigated, threaten international peace and security.

27. Regional arrangements and organizations have an important role in early warning. I ask regional organizations that have not yet sought observer status at the United Nations to do so and to be linked, through appropriate arrangements, with the security mechanisms of this Organization.

Preventage deployment

28. United Nations operations in areas of crisis have generally been established after conflict has occurred. The time has come to plan for circumstances warranting preventive deployment, which could take place in a variety of instances and ways. For example, in conditions of national crisis there could be preventive deployment at the request of the Government or all parties concerned, or with their consent; in inter-State disputes such deployment could take place when two countries feel that a United Nations presence on both sides of their border can discourage hostilities; furthermore, preventive deployment could take place when a country feels threatened and requests the deployment of an appropriate United Nations presence along its side of the border alone. In each situation, the mandate and composition of the United Nations presence would need to be carefully devised and be clear to all.

29. In conditions of crisis within a country, when the Government requests or all parties consent, preventive deployment could help in a number of ways to alleviate suffering and to limit or control violence. Humanitarian assistance, impartially provided, could be of critical importance; assistance in maintaining security, whether through military, police or civilian personnel, could save lives and develop conditions of safety in which negotiations can be held; the United Nations could also help in conciliation efforts if this should be the wish of the parties. In certain circumstances, the United Nations may well need to draw upon the specialized skills and resources of various parts of the United Nations system; such operations may also on occasion require the participation of non-governmental organizations.

30. In these situations of internal crisis the United Nations will need to respect the sovereignty of the State; to do otherwise would not be in accordance with the understanding of Member States in accepting the principles of the Charter. The Organization must remain mindful of the carefully negotiated balance of the guiding principles annexed to General Assembly resolution 46/182 of 19 December 1991. Those guidelines stressed, inter alia, that humanitarian assistance must be provided in accordance with the principles of humanity, neutrality and impartiality, that the sovereignty, territorial integrity and national unity of States must be fully respected in accordance with the Charter of the United Nations; and that, in this context, humanitarian assistance should be provided with the consent of the affected country and, in principle, on the basis of an appeal by that country. The guidelines also stressed the responsibility of States to take care of the victims of emergencies occurring on their territory and the need for access to those requiring humanitarian assistance. In the light of these guidelines, a Government's request for United Nations involvement, or consent to it, would not be an infringement of that State's sovereignty or be contrary to Article 2, paragraph 7, of the Charter which refers to matters essentially within the domestic jurisdiction of any State.

31. In inter-State disputes, when both parties agree, I recommend that if the Security Council concludes that the likelihood of hostilities between neighboring countries could be removed by the preventive deployment of a United Nations presence on the territory of

each State, such action should be taken. The nature of the tasks to be performed would determine the composition of the United Nations presence.

32. In cases where one nation fears a cross-border attack, if the Security Council concludes that a United Nations presence on one side of the border, with the consent only of the requesting country, would serve to deter conflict, I recommend that preventive deployment take place. Here again, the specific nature of the situation would determine the mandate and the personnel required to fulfill it.

Demilitarized zones

33. In the past, demilitarized zones have been established by agreement of the parties at the conclusion of a conflict. In addition to the deployment of United Nations personnel in such zones as part of peace-keeping operations, consideration should now be given to the usefulness of such zones as a form of preventive deployment, on both sides of a border, with the agreement of the two parties, as a means of separating potential belligerents, or on one side of the line, at the request of one party, for the purpose of removing any pretext for attack. Demilitarized zones would serve as symbols of the international community's concern that conflict be prevented.

IV. PEACEMAKING

34. Between the tasks of seeking to prevent conflict and keeping the peace lies the responsibility to try to bring hostile parties to agreement by peaceful means. Chapter VI of the Charter sets forth a comprehensive list of such means for the resolution of conflict. These have been amplified in various declarations adopted by the General Assembly, including the Manila Declaration of 1982 on the Peaceful Settlement of International Disputes[2] and the 1988 Declaration on the Prevention and Removal of Disputes and Situations Which May Threaten International Peace and Security and on the Role of the United Nations in this Field.[3] They have also been the subject of various resolutions of the General Assembly, including resolution 44/21 of 15 November 1989 on enhancing international peace, security and international cooperation in all its aspects in accordance with the Charter of the United Nations. The United Nations has had wide experience in the application of these peaceful means. If conflicts have gone unresolved, it is not because techniques for peaceful settlement were unknown or inadequate. The fault lies first in the lack of political will of parties to seek a solution to their differences through such means as are suggested in Chapter VI of the Charter, and second, in the lack of leverage at the disposal of a third party if this is the procedure chosen. The indifference of the international community to a problem, or the marginalization of it, can also thwart the possibilities of solution. We must look primarily to these areas if we hope to enhance the capacity of the Organization for achieving peaceful settlements.

35. The present determination in the Security Council to resolve international disputes in the manner foreseen in the Charter has opened the way for a more active Council role. With greater unity has come leverage and persuasive power to lead hostile parties towards negotiations. I urge the Council to take full advantage of the provisions of the Charter under which it may recommend appropriate procedures or methods for dispute settlement and, if all the parties to a dispute so request, make recommendations to the parties for a pacific settlement of the dispute.

36. The General Assembly, like the Security Council and the Secretary-General, also has an important role assigned to it under the Charter for the maintenance of international peace and security. As a universal forum, its capacity to consider and recommend appropriate action must be recognized. To that end it is essential to promote its utilization by all Member States so as to bring greater influence to bear in preempting or containing situations which are likely to threaten international peace and security.

37. Mediation and negotiation can be undertaken by an individual designated by the Security Council, by the General Assembly or by the Secretary-General. There is a long history of the utilization by the United Nations of distinguished statesmen to facilitate the processes of peace. They can bring a personal prestige that, in addition to their experience, can encourage the parties to enter serious negotiations. There is a wide willingness to serve in this capacity, from which I shall continue to benefit as the need arises. Frequently it is the Secretary-General himself who undertakes the task. While the mediator's effectiveness is enhanced by strong and evident support from the Council, the General Assembly and the relevant Member States acting in their national capacity, the good offices of the Secretary-General may at times be employed most effectively when conducted independently of the deliberative bodies. Close and continuous consultation between the Secretary-General and the Security Council is, however, essential to ensure full awareness of how the Council's influence can best be applied and to develop a common strategy for the peaceful settlement of specific disputes.

The World Court

38. The docket of the International Court of Justice has grown fuller but it remains an under-used resource for the peaceful adjudication of disputes. Greater reliance on the Court would be an important contribution to United Nations peacemaking. In this connection, I call attention to the power of the Security Council under Articles 36 and 37 of the Charter to recommend to Member States the submissions of a dispute to the International Court of Justice, arbitration or other dispute settlement mechanisms. I recommend that the Secretary-General be authorized, pursuant to Article 96, paragraph 2, of the Charter, to take advantage of the advisory competence of the Court and that other United Nations organs that already enjoy such authorization turn to the Court more frequently for advisory opinions.

39. I recommend the following steps to reinforce the role of the International Court of Justice:

(a) All Member States should accept the general jurisdiction of the International Court under Article 36 of its Statute, without any reservation, before the end of the United Nations Decade of International Law in the year 2000. In instances where domestic structures prevent this, States should agree bilaterally or multilaterally to a comprehensive list of matters they are willing to submit to the Court and should withdraw their reservations to its jurisdiction in the dispute settlement clauses of multilateral treaties;

(b) When submission of a dispute to the full Court is not practical, the Chambers jurisdiction should be used;

(c) States should support the Trust Fund established to assist countries unable to afford the cost involved in bringing a dispute to the Court, and such countries should take full advantage of the Fund in order to resolve their disputes.

Amelioration through assistance

40. Peacemaking is at times facilitated by international action to ameliorate circumstances that have contributed to the dispute or conflict. If, for instance, assistance to displaced persons within a society is essential to a solution, then the United Nations should be able to draw upon the resources of all agencies and programmes concerned. At present, there is no adequate mechanism in the United Nations through which the Security Council, the General Assembly or the Secretary-General can mobilize the resources needed for such positive leverage and engage the collective efforts of the United Nations system for the peaceful resolution of a conflict. I have raised this concept in the Administrative Committee on Coordination, which brings together the executive heads of United Nations agencies and programmes; we are exploring methods by which the inter-agency system can improve its contribution to the peaceful resolution of disputes.

Sanctions and special economic problems

41. In circumstances when peacemaking requires the imposition of sanctions under Article 41 of the Charter, it is important that States confronted with special economic problems not only have the right to consult the Security Council regarding such problems, as Article 50 provides, but also have a realistic possibility of having their difficulties addressed. I recommend that the Security Council devise a set of measures involving the financial institutions and other components of the United Nations system that can be put in place to insulate States from such difficulties. Such measures would be a matter of equity and a means of encouraging States to cooperate with decisions of the Council.

Use of military force

42. It is the essence of the concept of collective security as contained in the Charter that if peaceful means fail, the measures provided in Chapter VII should be used, on the decision of the Security Council, to maintain or restore international peace and security in the face of a "threat to the peace, breach of the peace, or act of aggression". The Security Council has not so far made use of the most coercive of these measures—the action by military force foreseen in Article 42. In the situation between Iraq and Kuwait, the Council chose to authorize Member States to take measures on its behalf. The Charter, however, provides a detailed approach which now merits the attention of all Member States.

43. Under Article 42 of the Charter, the Security Council has the authority to take military action to maintain or restore international peace and security. While such action should only be taken when all peaceful means have failed, the option of taking it is essential to the credibility of the United Nations as a guarantor of international security. This will require bringing into being, through negotiations, the special agreements foreseen in Article 43 of the Charter, whereby Member States undertake to make armed forces, assistance and facilities available to the Security Council for the purposes stated in Article 42, not only on an ad hoc basis but on a permanent basis. Under the political circumstances that now exist for the first time since the Charter was adopted, the long-standing obstacles to the conclusion of such special agreements should no longer prevail. The ready availability of armed forces on call could serve, in itself, as a means of deterring breaches of the peace

since a potential aggressor would know that the Council had at its disposal a means of response. Forces under Article 43 may perhaps never be sufficiently large or well enough equipped to deal with a threat from a major army equipped with sophisticated weapons. They would be useful, however, in meeting any threat posed by a military force of a lesser order. I recommend that the Security Council initiate negotiations in accordance with Article 43, supported by the Military Staff Committee, which may be augmented if necessary by others in accordance with Article 47, paragraph 2, of the Charter. It is my view that the role of the Military Staff Committee should be seen in the context of Chapter VII, and not that of the planning or conduct of peace-keeping operations.

Peace-enforcement units

44. The mission of forces under Article 43 would be to respond to outright aggression, imminent or actual. Such forces are not likely to be available for some time to come. Cease-fires have often been agreed to but not complied with, and the United Nations has sometimes been called upon to send forces to restore and maintain the cease-fire. This task can on occasion exceed the mission of peace-keeping forces and the expectations of peace-keeping force contributors. I recommend that the Council consider the utilization of peace-enforcement units in clearly defined circumstances and with their terms of reference specified in advance. Such units from Member States would be available on call and would consist of troops that have volunteered for such service. They would have to be more heavily armed than peace-keeping forces and would need to undergo extensive preparatory training within their national forces. Deployment and operation of such forces would be under the authorization of the Security Council and would, as in the case of peace-keeping forces, be under the command of the Secretary-General. I consider such peace-enforcement units to be warranted as a provisional measure under Article 40 of the Charter. Such peace-enforcement units should not be confused with the forces that may eventually be constituted under Article 43 to deal with acts of aggression or with the military personnel which Governments may agree to keep on stand-by for possible contribution to peace-keeping operations.

45. Just as diplomacy will continue across the span of all the activities dealt with in the present report, so there may not be a dividing line between peacemaking and peace-keeping. Peacemaking is often a prelude to peace-keeping—just as the deployment of a United Nations presence in the field may expand possibilities for the prevention of conflict, facilitate the work of peacemaking and in many cases serve as a prerequisite for peace-building.

V. PEACE-KEEPING

46. Peace-keeping can rightly be called the invention of the United Nations. It has brought a degree of stability to numerous areas of tension around the world.

Increasing demands

47. Thirteen peace-keeping operations were established between the years 1945 and 1987; 13 others since then. An estimated 528,000 military, police and civilian personnel had served under the flag of the United Nations until January 1992. Over 800 of them from 43 countries have died in the service of the Organization. The costs of these operations have aggregated some $8.3 billion till 1992. The unpaid arrears towards them stand at over $800 million, which represent a debt owed by the Organization to the troop-contributing countries. Peace-keeping operations approved at present are estimated to cost close to $3 billion in the current 12-month period, while patterns of payment are unacceptably slow. Against this, global defence expenditures at the end of the last decade had approached $1 trillion a year, or $2 million per minute.

48. The contrast between the costs of United Nations peace-keeping and the costs of the alternative, war—between the demands of the Organization and the means provided to meet them—would be farcical were the consequences not so damaging to global stability and to the credibility of the Organization. At a time when nations and peoples increasingly are looking to the United Nations for assistance in keeping the peace—and holding it responsible when this cannot be so—fundamental decisions must be taken to enhance the capacity of the Organization in this innovative and productive exercise of its function. I am conscious that the present volume and unpredictability of peace-keeping assessments poses real problems for some Member States. For this reason, I strongly support proposals in some Member States for their peace-keeping contributions to be financed from defence, rather than foreign affairs, budgets and I recommend such action to others. I urge the General Assembly to encourage this approach.

49. The demands on the United Nations for peace-keeping, and peace-building, operations will in the coming years continue to challenge the capacity, the political and financial will and the creativity of the Secretariat and Member States. Like the Security Council, I welcome the increase and broadening of the tasks of peace-keeping operations.

New departures in peace-keeping

50. The nature of peace-keeping operations has evolved rapidly in recent years. The established principles and practices of peace-keeping have responded flexibly to new demands of recent years, and the basic conditions for success remain unchanged: a clear and practicable mandate; the cooperation of the parties in implementing that mandate; the continuing support of the Security Council; the readiness of Member States to contribute the military, police and civilian personnel, including specialists, required; effective United Nations command at Headquarters and in the field; and adequate financial and logistic support. As the international climate has changed and peace-keeping operations are increasingly fielded to help implement settlements that have been negotiated by peacemakers, a new array of demands and problems has emerged regarding logistics, equipment, personnel and finance, all of which could be corrected if Member States so wished and were ready to make the necessary resources available.

Personnel

51. Member States are keen to participate in peace-keeping operations. Military observers and infantry are invariably available in the required numbers, but logistic units present a greater problem, as few armies can afford to spare such units for an extended period. Member States were requested in 1990 to state what military personnel they were in principle prepared to make available; few replied. I reiterate the request to all Member States to reply frankly and promptly. Stand-by arrangements should be confirmed, as appropriate, through exchanges of letters between the Secretariat and Member States concerning the kind and number of skilled personnel they will be prepared to offer the United Nations as the needs of new operations arise.

52. Increasingly, peace-keeping requires that civilian political officers, human rights monitors, electoral officials, refugee and humanitarian aid specialists and police play as central a role as the military. Police personnel have proved increasingly difficult to obtain in the numbers required. I recommend that arrangements be reviewed and improved for training peace-keeping personnel—civilian, police, or military—using the varied capabilities of Member State Governments, of non-governmental organizations and the facilities of the Secretariat. As efforts go forward to include additional States as contributors, some States with considerable potential should focus on language training for police contingents which may serve with the Organization. As for the United Nations itself, special personnel procedures, including incentives, should be instituted to permit the rapid transfer of Secretariat staff members to service with peace-keeping operations. The strength and capability of military staff serving in the Secretariat should be augmented to meet new and heavier requirements.

Logistics

53. Not all Governments can provide their battalions with the equipment they need for service abroad. While some equipment is provided by troop-contributing countries, a great deal has to come from the United Nations, including equipment to fill gaps in under-equipped national units. The United Nations has no standing stock of such equipment. Orders must be placed with manufacturers, which creates a number of difficulties. A pre-positioned stock of basic peace-keeping equipment should be established, so that at least some vehicles, communications equipment, generators, etc., would be immediately available at the start of an operation. Alternatively, Governments should commit themselves to keeping certain equipment, specified by the Secretary-General, on stand-by for immediate sale, loan or donation to the United Nations when required.

54. Member States in a position to do so should make air- and sea-lift capacity available to the United Nations free of cost or at lower than commercial rates, as was the practice until recently.

VI. POST-CONFLICT PEACE-BUILDING

55. Peacemaking and peace-keeping operations, to be truly successful, must come to include comprehensive efforts to identify and support structures which will tend to consolidate peace and advance a sense of confidence and well-being among people. Through agreements ending civil strife, these may include disarming the previously warring parties and the restoration of order, the custody and possible destruction of weapons, repatriating refugees, advisory and training support for security personnel, monitoring elections, advancing efforts to protect human rights, reforming or strengthening governmental institutions and promoting formal and informal processes of political participation.

56. In the aftermath of international war, post-conflict peace-building may take the form of concrete cooperative projects which link two or more countries in a mutually beneficial undertaking that can not only contribute to economic and social development but also enhance the confidence that is so fundamental to peace. I have in mind, for example, projects that bring Skates together to develop agriculture, improve transpor-

tation or utilize resources such as water or electricity that they need to share, or joint programmes which barriers between nations are brought down by means of freer travel, cultural exchanges and mutually beneficial youth and educational projects. Reducing hostile perceptions through educational exchanges and curriculum reform may be essential to forestall a re-emergence of cultural and national tensions which could spark renewed hostilities.

57. In surveying the range of efforts for peace, the concept of peace-building as the construction of a new environment should be viewed as the counterpart of preventive diplomacy, which seeks to avoid the breakdown of peaceful conditions. When conflict breaks out, mutually reinforcing efforts at peacemaking and peace-keeping come into play. Once these have achieved their objectives, only sustained, cooperative work to deal with underlying economic, social, cultural and humanitarian problems can place an achieved peace on a durable foundation. Preventive diplomacy is to avoid a crisis; post-conflict peace-building is to prevent a recurrence.

58. Increasingly it is evident that peace-building after civil or international strife must address the serious problem of land mines, many tens of millions of which remain scattered in present or former combat zones. De-mining should be emphasized in the terms of reference of peace-keeping operations and is crucially important in the restoration of activity when peace-building is under way: agriculture cannot be revived without de-mining and the restoration of transport may require the laying of hard surface roads to prevent re-mining. In such instances, the link becomes evident between peace-keeping and peace-building. Just as demilitarized zones may serve the cause of preventive diplomacy and preventive deployment to avoid conflict, so may demilitarization assist in keeping the peace or in post-conflict peace-building, as a measure for heightening the sense of security and encouraging the parties to turn their energies to the work of peaceful restoration of their societies.

59. There is a new requirement for technical assistance which the United Nations has an obligation to develop and provide when requested: support for the transformation of deficient national structures and capabilities, and for the strengthening of new democratic institutions. The authority of the United Nations system to act in this field would rest on the consensus that social peace is as important as strategic or political peace. There is an obvious connection between democratic practices—such as the rule of law and transparency in decision-making—and the achievement of true peace and security in any new and stable political order. These elements of good governance need to be promoted at all levels of international and national political communities.

VII. COOPERATION WITH REGIONAL ARRANGEMENTS AND ORGANIZATIONS

60. The Covenant of the League of Nations, in its Article 21, noted the validity of regional understandings for securing the maintenance of peace. The Charter devotes Chapter VIII to regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action and consistent with the Purposes and Principles of the United Nations. The cold war impaired the proper use of Chapter VIII and indeed, in that era, regional arrangements worked on occasion against resolving disputes in the manner foreseen in the Charter.

61. The Charter deliberately provides no precise definition of regional arrangements and agencies, thus allowing useful flexibility of undertakings by a group of States to deal with a matter appropriate for regional action which also could contribute to the maintenance of international peace and security. Such associations or entities could include treaty-based organizations, whether created before or after the founding of the United Nations, regional organizations for mutual security and defense, organizations for general regional development or for cooperation on a particular economic topic or function, and groups created to deal with a specific political, economic or social issue of current concern.

62. In this regard, the United Nations has recently encouraged a rich variety of complementary efforts. Just as no two regions or situations are the same, so the design of cooperative work and its division of labour must adapt to the realities of each case with flexibility and creativity. In Africa, three different regional groups—the Organization of African Unity, the League of Arab States and the Organization of the Islamic Conference—joined efforts with the United Nations regarding Somalia. In the Asian context, the Association of the South-East Asian Nations and individual States from several regions were brought together with the parties to the Cambodian conflict at an international conference in Paris, to work with the United Nations. For El Salvador, a unique arrangement—"The Friends of the Secretary-General"—contributed to agreements reached through the mediation of the Secretary-General. The end of the war in Nicaragua involved a highly complex effort which was initiated by leaders of the region and conducted by individual States, groups of States and the Organization of American States. Efforts undertaken by the European Community and its member States, with the support of States participating in the Conference on Security and Cooperation in Europe, have been of central importance in dealing with the crisis in the Balkans and neighboring areas.

63. In the past, regional arrangements often were created because of the absence of a universal system for collective security; thus their activities could on occasion work at cross-purposes with the sense of solidarity required for the effectiveness of the world Organization. But in this new era of opportunity, regional arrangements or agencies can render great service if their activities are undertaken in a manner consistent with the Purposes and Principles of the Charter, and if their relationship with the United Nations, and particularly the Security Council, is governed by Chapter VIII.

64. It is not the purpose of the present report to set forth any formal pattern of relationship between regional organization and the United Nations, or to call for any specific division of labour. What is clear, however, is that regional arrangements or agencies in many cases possess a potential that should be utilized in serving the functions covered in this report: preventive diplomacy, peace-keeping, peacemaking and post-conflict peace-building. Under the Charter, the Security Council has and will continue to have primary responsibility for maintaining international peace and security, but regional action as a matter of decentralization, delegation and cooperation with United Nations efforts could not only lighten the burden of the Council but also contribute to a deeper sense of participation, consensus and democratization in international affairs.

65. Regional arrangements and agencies have not in recent decades been considered in this light, even when originally designed in part for a role in maintaining or restoring peace within their regions of the world. Today a new sense exists that they have contributions to make. Consultations between the United Nations and regional arrangements or agencies could do much to build international consensus on the nature of a problem and the measures required to address it. Regional organizations participating in complementary efforts with the United Nations in joint undertakings would encourage States outside the region to act supportively. And should the Security Council choose specifically to authorize a regional arrangement or organization to take the lead in addressing a crisis within its region, it could serve to lend the weight of the United Nations to the validity of the regional effort. Carried forward in the spirit of the Charter, and as envisioned in Chapter VIII, the approach outlined here could strengthen a general sense that democratization is being encouraged at all levels in the task of maintaining international peace and security, it being essential to continue to recognize that the primary responsibility will continue to reside in the Security Council.

VIII. SAFETY OF PERSONNEL

66. When United Nations personnel are deployed in conditions of strife, whether for preventive diplomacy, peacemaking, peacekeeping, peace-building or humanitarian purposes, the need arises to ensure their safety. There has been an unconscionable increase in the number of fatalities. Following the conclusion of a cease-fire and in order to prevent further outbreaks of violence, United Nations guards were called upon to assist in volatile conditions in Iraq. Their presence afforded a measure of security to United Nations personnel and supplies and, in addition, introduced an element of reassurance and stability that helped to prevent renewed conflict. Depending upon the nature of the situation, different configurations and compositions of security deployments will need to be considered. As the variety and scale of threat widens, innovative measures will be required to deal with the dangers facing United Nations personnel.

67. Experience has demonstrated that the presence of a United Nations operation has not always been sufficient to deter hostile action. Duty in areas of danger can never be risk-free; United Nations personnel must expect to go in harm's way at times. The courage, commitment and idealism shown by United Nations personnel should be respected by the entire international community. These men and women deserve to be properly recognized and rewarded for the perilous tasks they undertake. Their interests and those of their families must be given due regard and protected.

68. Given the pressing need to afford adequate protection to United Nations personnel engaged in life-endangering circumstances, I recommend that the Security Council, unless it elects immediately to withdraw the United Nations presence in order to preserve the credibility of the Organization, gravely consider what action should be taken towards those who put United Nations personnel in danger. Before deployment takes place, the Council should keep open the option of considering in advance collective measures, possibly including those under Chapter VII when a threat to

international peace and security is also involved, to come into effect should the purpose of the United Nations operation systematically be frustrated and hostilities occur.

IX. FINANCING

69. A chasm has developed between the tasks entrusted to this Organization and the financial means provided to it. The truth of the matter is that our vision cannot really extend to the prospect opening before us as long as our financing remains myopic. There are two main areas of concern: the ability of the Organization to function over the longer term; and immediate requirements to respond to a crisis.

70. To remedy the financial situation of the United Nations in all its aspects, my distinguished predecessor repeatedly drew the attention of Member States to the increasingly impossible situation that has arisen and, during the forty-sixth session of the General Assembly, made a number of proposals. Those proposals which remain before the Assembly, and with which I am in broad agreement, are the following:

Proposal one. This suggested the adoption of a set of measures to deal with the cash flow problems caused by the exceptionally high level of unpaid contributions as well as with the problem of inadequate working capital reserves:

(a) Charging interest on the amounts of assessed contributions that are not paid on time;

(b) Suspending certain financial regulations of the United Nations to permit the retention of budgetary surpluses;

(c) Increasing the Working Capital Fund to a level of $250 million and endorsing the principle that the level of the Fund should be approximately 25 per cent of the annual assessment under the regular budget;

(d) Establishment of a temporary Peacekeeping Reserve Fund, at a level of $50 million, to meet initial expenses of peace-keeping operations pending receipt of assessed contributions;

(e) Authorization to the Secretary-General to borrow commercially, should other sources of cash be inadequate.

Proposal two. This suggested the creation of a Humanitarian Revolving Fund in the order of $50 million, to be used in emergency humanitarian situations. The proposal has since been implemented.

Proposal three. This suggested the establishment of a United Nations Peace Endowment Fund, with an initial target of $1 billion. The Fund would be created by a combination of assessed and voluntary contributions, with the latter being sought from Governments, the private sector as well as individuals. Once the Fund reached its target level, the proceeds from the investment of its principal would be used to finance the initial costs of authorized peace-keeping operations, other conflict resolution measures and relative activities.

71. In addition to these proposals, others have been added in recent months in the course of public discussion. These ideas include: a levy on arms sales that could be related to maintaining an Arms Register by the United Nations; a levy on international air travel, which is dependent on the maintenance of peace; authorization for the United Nations to borrow from the World Bank and the International Monetary Fund for peace and development are interdependent; general tax exemption for contributions made to the United Nations by foundations, businesses and individuals; and changes in the formula for calculating the scale of assessments for peace-keeping operations.

72. As such ideas are debated, a stark fact remains: the financial foundations of the Organization daily grow weaker, debilitating its political will and practical capacity to undertake new and essential activities. This state of affairs must not continue. Whatever decisions are taken on financing the Organization, there is one inescapable necessity: Member States must pay their assessed contributions in full and on time. Failure to do so puts them in breach of their obligations under the Charter.

73. In these circumstances and on the assumption that Member States will be ready to finance operations for peace in a manner commensurate with their present, and welcome, readiness to establish them, I recommend the following:

(a) Immediate establishment of a revolving peace-keeping reserve fund of $50 million;

(b) Agreement that one third of the estimated cost of each new peace-keeping operation be appropriated by the General Assembly as soon as the Security Council decides to establish the operation; this would give the Secretary-General the necessary commitment authority and assure an adequate cash flow; the balance of the costs would be appropriated after the General Assembly approved the operation's budget;

(c) Acknowledgement by Member States that, under exceptional circumstances, political and operational considerations may make it necessary for the Secretary-General to employ his authority to place contracts without competitive bidding.

74. Member States wish the Organization to be managed with the utmost efficiency and care. I am in full accord. I have taken important steps to streamline the Secretariat in order to avoid duplication and overlap while increasing its productivity. Additional changes and improvements will take place. As regards the United Nations system more widely, I continue to review the situation in consultation with my colleagues in the Administrative Committee on Coordination. The question of assuring financial security to the Organization over the long term is of such importance and complexity that public awareness and support must be heightened. I have therefore asked a select group of qualified persons of high international repute to examine this entire subject and to report to me. I intend to present their advice, together with my comments, for the consideration of the General Assembly, in full recognition of the special responsibility that the Assembly has, under the Charter, for financial and budgetary matters.

X. AN AGENDA FOR PEACE

75. The nations and peoples of the United Nations are fortunate in a way that those of the League of Nations were not. We have been given a second chance to create the world of our Charter that they were denied. With the cold war ended we have drawn back from the brink of a confrontation that threatened the world and, too often, paralysed our Organization.

76. Even as we celebrate our restored possibilities, there is a need to ensure that the lessons of the past four decades are learned and that the errors, or variations of them, are not repeated. For there may not be a third opportunity for our planet which, now for different reasons, remains endangered.

77. The tasks ahead must engage the energy and attention of all components of the United Nations system—the General Assembly and other principal organs, the agencies and programmes. Each has, in a balanced scheme of things, a role and a responsibility.

78. Never again must the Security Council lose the collegiality that is essential to its proper functioning, an attribute that it has gained after such trial. A genuine sense of consensus deriving from shared interests must govern its work, not the threat of the veto or the power of any group of nations. And it follows that agreement among the permanent members must have the deeper support of the other members of the Council, and the membership more widely, if the Council's decisions are to be effective and endure.

79. The Summit Meeting of the Security Council of 31 January 1992 provided a unique forum for exchanging views and strengthening cooperation. I recommend that the Heads of State and Government and the members of the Council meet in alternate years, just before the general debate commences in the General Assembly. Such sessions would permit exchanges on the challenges and dangers of the moment and stimulate ideas on how the United Nations may best serve to steer change into peaceful courses. I propose in addition that the Security Council continue to meet at the Foreign Minister level, as it has effectively done in recent years, whenever the situation warrants such meetings.

80. Power brings special responsibilities, and temptations. The powerful must resist the dual but opposite calls of unilateralism and isolationism if the United Nations is to succeed. For just as unilateralism at the global or regional level can shake the confidence of others, so can isolationism, whether it results from political choice or constitutional circumstance, enfeeble the global undertaking. Peace at home and the urgency of rebuilding and strengthening our individual societies necessitates peace abroad and cooperation among nations. The endeavors of the United Nations will require the fullest engagement of all of its Members, large and small, if the present renewed opportunity is to be seized.

81. Democracy within nations requires respect for human rights and fundamental freedoms, as set forth in the Charter. It requires as well a deeper understanding and respect for the rights of minorities and respect for the needs of the more vulnerable groups of society, especially women and children. This is not only a political matter. The social stability needed for productive growth is nurtured by conditions in which people can readily express their will. For this, strong domestic institutions of participation are essential. Promoting such institutions means promoting the empowerment of the unorganized, the poor, the marginalized. To this end, the focus of the United Nations should be on the "field", the locations where economic, social and political decisions take effect. In furtherance of this I am taking steps to rationalize and in certain cases integrate the various programmes and agencies of the United Nations within specific countries. The senior United Nations official in each country should be prepared to serve, when needed, and with the consent of the host authorities, as my Representative on matters of particular concern.

82. Democracy within the family of nations means the application of its principles within the World Organization itself. This requires the fullest consultation, participation and engagement of all States, large and small, in the work of the Organization. All organs of the United Nations must be accorded, and play, their full and proper role so that the trust of all nations and peoples will be retained and deserved. The principles of the Charter must be applied consistently, not selectively, for if the perception should be of the latter, trust will wane and with it

the moral authority which is the greatest and most unique quality of that instrument. Democracy at all levels is essential to attain peace for a new era of prosperity and justice.

83. Trust also requires a sense of confidence that the World Organization will react swiftly, surely and impartially and that it will not be debilitated by political opportunism or by administrative or financial inadequacy. This presupposes a strong, efficient and independent international civil service whose integrity is beyond question and an assured financial basis that lifts the Organization, once and for all, out of its present mendicancy.

84. Just at it is vital that each of the organs of the United Nations employ its capabilities in the balanced and harmonious fashion envisioned in the Charter, peace in the largest sense cannot be accomplished by the United Nations system or by Governments alone. Non-governmental organizations, academic institutions, parliamentarians, business and professional communities, the media and the public at large must all be involved. This will strengthen the world Organization's ability to reflect the concerns and interests of its widest constituency, and those who become more involved can carry the word of United Nations initiatives and build a deeper understanding of its work.

85. Reform is a continuing process, and improvement can have no limit. Yet there is an exception, which I wish to see fulfilled, that the present phase in the renewal of this Organization should be complete by 1995, its fiftieth anniversary. The pace set must therefore be increased if the United Nations is to keep ahead of the acceleration of history that characterizes this age. We must be guided not by precedents alone, however wise these may be, but by the needs of the future and by the shape and content that we wish to give it.

86. I am committed to broad dialogue between the Member States and the Secretary-General. And I am committed to fostering a full and open interplay between all institutions and elements of the Organization so that the Charter's objectives may not only be better served, but that this Organization may emerge as greater than the sum of its parts. The United Nations was created with a great and courageous vision. Now is the time, for its nations and peoples, and the men and women who serve it, to seize the moment for the sake of the future.

NOTES

[1]See S/23500, statement by the President of the Council, section entitled "Peacemaking and peacekeeping".

[2]General Assembly resolution 37/10, annex.

[3]General Assembly resolution 43/51, annex.●

ORDER OF PROCEDURE

Mr. DASCHLE. Mr. President, I ask unanimous consent that Senators GORTON, JEFFORDS, and WOFFORD be recognized to address the Senate, and that at the conclusion of their remarks the Senate then stand in recess as ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Let me again reiterate my gratitude to the distinguished Senator from Washington.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington [Mr. GORTON] is recognized.

CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

Mr. GORTON. Mr. President, during the course of the business tomorrow and on Wednesday there will be as many as four recorded votes cast by the Senate in relation to the debate over an amendment to the Constitution of the United States mandating a balanced budget under certain circumstances.

That set of votes will not include a direct vote on the constitutional amendment unless one of the two cloture motions receives the requisite 60 votes, either tomorrow or on the next day.

Since this will be the climax and perhaps the termination of the debate over this vitally important issue, it seemed appropriate to this Senate at least at least to speak once again in favor of that amendment to the Constitution, and to do so tonight by examining the arguments which have been so forcefully stated at such length by the distinguished President pro tempore of this body, and by the chairman of the Senate Budget Committee.

The debate has been long and has been detailed, but I believe that as we approach its climax, Mr. President, we can summarize the objections to proposing such an amendment to the Constitution to the Senate under six hearings.

I should like briefly to go through each of those six headings, and make a few remarks on each of them, since it is the view of this Senator, who, as the President may remember, previously voted against such a constitutional amendment, believes that none of the arguments today are valid and that the situation which we are faced in this country demands that we propose such a constitutional amendment to the States.

The first set of arguments really could perhaps be titled "It Is the President's Fault, Not Ours." The Senators who have argued against this constitutional amendment have pointed out I suppose correctly that no President for well over a decade has so much as proposed a balanced budget in any given year, that under most circumstances Congress votes slightly less money in discretionary programs than the President has asked for, albeit for rather profoundly different sets of priorities and, therefore, this is not a matter with which we should be concerned, or certainly is not a matter about which we should propose a constitutional amendment.

In fact, Mr. President, if that criticism is correct, if, in fact, Presidents of the United States have been as cavalier as has been the Congress about the necessity to balance the budget, it not only does not undercut the necessity for such an amendment to the Constitution, but it illustrates and reinforces it.

It is obvious that the requirement in the Constitution that we balance our budget under all except extraordinary circumstances will be as binding on the President as it is on Members of Congress. It is the failure of the Government of the United States as a whole without allocating responsibility that has brought us to the point where we need this discipline.

One need not agree entirely with the argument of the opponents that it is all the President's fault to illustrate or to stand for the proposition that whosoever fault it is, it is time for a dramatic and considerable change.

Moreover, Mr. President, while it may be true in the most narrow sense that Presidents recently have not directly proposed a balanced budget, in the budget itself, the current President, President Bush, did, in fact, in the budget which is before us right now point out a way, a direction and a policy recommendation which would, in fact, balance the budget no later than the end of this decade.

It was a proposal which would have controlled the growth in the entitlement spending, would have allowed that spending to grow by the rate of inflation, plus the growth in caseload, plus between 1 and 2 percent over and above that figure.

That proposal was brought up on the floor of the U.S. Senate in April. It was debated very seriously for the better part of a day. That proposal in its single test vote got 26 favorable votes and 66 negative votes, illustrating once again that it really does not matter whether the President of the United States proposes a balanced budget or even a method by which we will reach a balanced budget. This Congress without some outside discipline simply is not going to reach that goal.

The second argument which goes through the long weeks of debate on this issue which is placed against a balanced budget constitutional amendment is that the change in the Constitution cannot create the will or the consensus to balance the budget in and of itself.

Again, Mr. President, that argument, narrowly taken, is probably true. A constitutional amendment, a change, the addition of a page to the Constitution of the United States, will not automatically create that consensus. It will, however, do something more significant. It will require that consensus.

We will be required to take an oath to support and defend the Constitution of the United States. We will find it much more difficult, even from the point of view of votes in this Chamber, to support an unbalanced budget, and the moral suasion of the people's adopting such a constitutional amendment will, in my view, require a consensus to take place, which seems, to this Senator at least, to be highly unlikely in any other event.

The third argument which I heard as a threat, through the remarks of almost all of those who oppose this proposal to amend the Constitution, is that it will relieve the pressure which is presently imposing itself on Congress because by the very nature of the ratification process together with the mechanism included in the proposal which is before us at the present time, it would be 1997 or 1998 before a balanced budget would be required; and in the meantime, presumably, the lambs in the Congress would frolic, Presidents would ignore the requirements, and nothing would be done.

There is an implication in that argument, Mr. President, that not only of the responsibility on Members of the Congress, there is an implication that somehow or other there will be a sufficient degree of pressure on Members of Congress, without such a constitutional amendment, to cause them to do something before 1997 or 1998. To see the fallacy of that argument, one need only look at the statutory attempts to cause a balanced budget to take place, which have been considered or passed by this Congress during the course of the last decade or so. The most famous was Gramm-Rudman-Hollings.

The second effort was the 1990 budget agreement. The third was the approach to which I have already referred, which got only 28 votes earlier this year. Each of them, however, had one feature in common. Each of them recognized the truth that you do not go from a $200 billion deficit or a $400 billion deficit to a balance in a single year. Each came with the promise that it would take a 3- or 4- or 5-year period to reach a balanced budget. Each of those statutory approaches has failed and has failed utterly.

Gramm-Rudman did arrest the increase of budget deficits, did, in fact, cause budget deficits to decrease, at least modestly, during the period of time it was in effect. But when it really began to pinch in 1990, it was almost immediately abandoned by the Congress, and the 1990 budget summit agreement was substituted for it, also with the promise that within 4 or 5 years, it would bring a balanced budget. It did not even have the modest initial success that Gramm-Rudman did, and it has led us directly to the position in which we find ourselves today with a budget deficit of almost $400 billion staring us in the face.

Finally, of course, the effort early this year to put in place even modest controls on entitlement spending failed to get much more than the vote of a quarter of the Members of this body. So to say that to pass this constitutional amendment would take the pressure off, and that we should continue to keep the pressure on is a contradiction in terms, Mr. President. The pressure had been on for a decade or a decade and a half, and that pressure has had no impact whatsoever. It is time to try something really quite different.

The fourth argument against the constitutional amendment is that present deficits are caused very largely by the skyrocketing increase in the health care costs. Each of the two distinguished Senators who preceded me on the floor this evening have given thoughtful and detailed prescriptions with respect to health care costs. Each of them has made points which I think are important for consideration by every Member of this body. Neither of them—and others including this Senator fall into the same category—had a proposal which was a cure-all, which was comprehensive in nature, which was guaranteed to work by any stretch of the imagination. Each of them also, it seems to me, did reflect the views of a vast majority of the Members of this body, and for that matter, of the House of Representatives, that health care costs are at the center, not only of a crisis with respect to health care, but with respect to the deficit.

It is imperative that the Congress work diligently on as broad a base as possible to meet those requirements. Nevertheless, to say that we should not deal with a constitutional amendment mandating a balanced budget until we have solved the health care crisis puts the carts before the horse, in the view of this Senator.

Once again, passing and submitting this constitutional amendment would not decrease the demand of the country and in this body for comprehensive health care reform. It would put a very clear deadline on its accomplishment, and I think it would hasten the time of the date which the issue would be taken up, and not only taken up but dealth with successfully.

The fifth argument, one that I can deal with in passing relatively quickly, is that this constitutional amendment would inhibit or even prevent Congress from dealing with passing countercyclical spending programs such as dealing with recessions, like the one which we are, one hopes, just emerging from at the present time.

Mr. President, that argument misstates entirely the nature of this constitutional amendment. It is perhaps overadvertising to say that it mandates a balanced budget. It does not do so. It simply requires a 60-percent super majority on the part of both Houses of Congress to unbalance the budget. If the economists of the United States, and Members of this body, believe that additional deficits and countercyclical spending is necessary during the course of a recession, they are easily able to meet that 60 vote requirement. We have demonstrated that in connection with at least a couple or three of the bills which have gone through this Congress in the course of the last year.

The real problem, Mr. President, is that we seem to have been in a countercycle with respect to spending for the last 20 years. In good times and bad, recession and boom, we continue to spend beyond our means.

The real reason, the overwhelming reason for such a constitutional amendment is to allow exactly that kind of sophisticated response to the various economic cycles through which we pass.

That leads me to the last, but I think the most important of the arguments against this proposal, eloquently stated by the President pro tempore and by other opponents to it. It comes down to this proposition: A constitutional amendment mandating a balanced budget would alter the status quo. It would change the dynamics which move both Congress and the national administration at the present time. It would lessen the power of some interest groups and some Members of Congress and some members of the administration. It would increase that of others.

And to that proposition that this constitutional amendment would alter the status quo, I say right on. Those of you who oppose are absolutely correct. The status quo would indeed be altered and it would be altered significantly. And, Mr. President, that is exactly what this country requires. It is business as usual, it is the status quo that leaves us this year with a $350 to $400 billion deficit. It is the status quo that for one reason or another gives overwhelming influence to those interest groups in the United States which call for increased spending, whether discretionary or mandatory. It is the status quo which stifles the voice for the general interest for those who feel that we are eating our seed corn.

One statistic I saw recently was a count of witnesses before committees of the Congress with something like 17 to 19 witnesses asking for new spending programs for every witness who advised caution and spoke for the general interest in restraining the growth of spending.

The status quo needs to be changed again, Mr. President. There needs to be a greater balance in favor of the general interest. When one group, by a change in spending programs, can gain $10 at the expense of 10 cents to every Member of the general public, those who will gain the $10 will be before the Congress, they will form political action committees, they will involve themselves in the political election process. Those who will lose the 10 cents will not.

It is for exactly that reason that an amendment which requires a 60-percent majority in both the House and the Senate will provide a greater degree of balance and anchor to windward which will cause the fiscal policies of the United States to be better balanced.

So the principal argument against the constitutional amendment, that it

alters the power structure, that it changes the dynamics of the way in which we set public policy, that it makes it more difficult to spend, is perhaps the greatest argument in favor of that constitutional amendment.

It is possible—it may be unlikely—but it is still possible, Mr. President, that during the course of the debate tomorrow we will reject the Byrd amendment, which of course is designed to and will kill the proposed constitutional amendment to mandate a balanced budget and that we will find the 60 votes for cloture so that we can move on to a vote here in the Senate, which I suspect will be replicate in the House, under its rules it must come up again and gives the people of the United States to make the profound and dramatic change which it seems to me quite obvious they wish to make.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. WOFFORD] is recognized.

A REPORT FROM PENNSYLVANIA

Mr. WOFFORD. Mr. President, the Senator from Vermont has kindly offered to let me have 3 or 4 minutes before I have the privilege of replacing you and hearing his remarks here to just report at the end of the colloquy on the balanced budget and the probable health care, a report from Pennsylvania.

I just returned on an airplane with the Secretary of Health and Human Services, Dr. Sullivan, and I refrained, I restrained myself from taking issue from the study that the Senator from South Dakota talked about or the other matters in which he has been hard put to defend the administration's programs in health care, because he looked tired. And I think one of the reasons he was tired is that it has been very hard to defend the inadequate proposals from this administration on either the matter of controlling costs or extending access to everyone.

This morning I was with the borough leaders, the local government officials from all over Pennsylvania, and if there was one thing that they responded to and made clear to me that they have at the top of their agenda is controlling health care costs. They feel it every day. They want in some way for us to take action.

I cannot say how they would vote on a constitutional amendment to balance the budget. But I can say that there would be no effective action to deal with the problem of the deficit that we could take that would show that we want action and not promises than to deal comprehensively with the question of health care reform and health care costs.

This afternoon I spent 2 hours plus with a dozen business, labor, educational, and county leaders in Bainbridge, PA, on the question of competitiveness and what we can do to help our small business and our manufacturers in this country become competitive and world class in the world market. And again, every one of them at that table today had their own vivid stories as to what the costs of health care are doing to their companies, their unions, the labor disputes. The United Steelworker representative there said most of their disputes in recent times have turned on the question of health care costs.

So I come back here with a sense that we must find a way to break the gridlock in Government. We must show that we can move from the sense of this basic health care being a fundamental right for every American, which is I think now more and more a self-evident truth, to the next stage of turning that into a reality. And I asked those who were pressing for us to deal with the deficit to show that we mean business and deal this session in this body across the lines of party with the problem of comprehensive health care reform, the lack of which, the rising costs that come from a lack of which is the fastest growing part of our deficit. That I think is the test for action, and I hope we will pass that test.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Vermont [Mr. JEFFORDS] is recognized.

PRIVILEGE OF THE FLOOR—S. 2532

Mr. JEFFORDS. Mr. President, first I ask unanimous consent that floor privileges be extended to Mary E. Daley during the duration of the Senate consideration of S. 2532, the Freedom of Support Act. She is a Department of State fellow assigned to my staff this year and she is doing an incredibly fine job.

The PRESIDING OFFICER (Mr. WOFFORD). Without objection, it is so ordered.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

Mr. JEFFORDS. Mr. President, we have before us today an opportunity not one of us expected to experience in our lifetime. Where Stalinist terror once raged, where the gulag symbolized entire nations held in bondage, and where expressing one's views could be fatal, there have now emerged 15 states, free from communism. These 15 countries—rich in resources and at last free—can become our partners in peace and trade, a vast new market for the goods and services American workers produce. Coming from the State of Vermont, the adopted home of Alexander Solzhenitsyn, I am acutely aware of the sea of change that has occurred. We must seize this opportunity and make the experience of being the world leader a positive thing back home.

Our greatest domestic problem is that the U.S. standard of living is stagnant. With real wages remaining flat for two decades, American parents fear that their children may not be able to achieve the same standard of living. If we are going to pass the American dream on to our children, we are going to have to boost productivity. Long-term growth and labor productivity slowed in the early 1970's from more than 2.5 percent per year since World War II to only 0.7 per year from 1973–79.

Since 1979, it has been stuck at 1 percent. To boost productivity, we are going to have to maintain our edge in technology. We are going to have to make sure that American workers have access to the best education and health care in the world. And we are going to have to create new markets for American goods and services.

There is no better new market for us than the countries of Eastern Europe and the former Soviet Union. These countries are rich in natural resources; they are the new frontier. When they get on their feet, they could be the largest new consumer market we have ever had. If the United States is going to tap that market, it is going to have to get plugged in now.

Right now, these countries are begging for U.S. assistance to help them create democracy and free market economies. If we help them now, if we answer their request for technical assistance in agriculture, business, health care, and the environment, we will establish connections that will pay off later, boosting U.S. industrial manufacturing and raising the standard of living for American families. But if we ignore the former Soviet Union, we will lose this vast market to other nations. Now is the time to become engaged, to make contacts and to get these countries hooked on American goods and services. Foreign aid in the case of the former Soviet Union is not altruism. It is self-interest.

After World War II, we found the wisdom and heart to help rebuild Western Europe. These countries are now our strongest allies and partners in trade. Had we left them unattended as some wanted, Europe's poverty, despair, and bitterness could have led again to war, just as Versailles was prelude to Vichy. Just so, we must not turn inward now. Our ability to address domestic problems, from health care and education to infrastructure and job creation, depends on a peaceful world and on turning Eastern Europe and the former Soviet Union into a market for our goods.

I believe the American people are looking for courageous leadership from us. With vigor, let us meet that challenge on both the domestic and international fronts.

My concern about the former Soviet Union and the impact the situation

there will have on Americans increased during my trip there in April. With Senator DECONCINI, cochairman of the Helsinski Commission, I traveled to 6 of the 15 former Soviet Republics. Clearly, all is not well in these Republics. During consideration of this bill in the Foreign Relations Committee, I did my best to ensure a commitment to technical assistance. I believe strongly that the most effective technical assistance programs are those that draw from the talents of private American citizens, from farmers to health care workers, environmental experts and business people.

In that spirit, I amended the bill in the Foreign Relations Committee. The bill now stresses the importance of drawing on the talents of the U.S. business community. Such programs give the American business community the chance to see firsthand the potential benefits and pitfalls of doing business in the former Soviet Union. My amendment is one concrete example of how helping the former Soviet Union can help the United States economy.

There is another aspect to business investment that I want to raise today. During my trip to Central Asia, I was disturbed by the potential for those countries to veer down the path of Central American nations, rather than adopt the kind of free market system we enjoy. The stability of Central Asia, and therefore of United States business in the region, depends on the ability of these new nations to create societies of broad opportunity, not narrow exploitation. This possibility is threatened as the old Communist leaders rush to grab the most profitable sectors of the economies for themselves. While we cannot control political evolution, we can affect it. Section 7 of this bill discusses the importance of developing a legal framework that will promote democracy and the rule of law, protect private ownership and worker safety and rights, and establish regulations to protect the environment and guide natural resource utilization.

Technical assistance of this type is absolutely essential. Otherwise, we may become accomplices in the exploitation of the environment and people. Moreover, American workers are concerned about losing their jobs to countries that cut their costs of production by underpaying their employees. Such distortions of the labor market hurt American workers. In contrast, the growth of healthy democracies in the former Soviet Union, with healthy economies in which workers earn wages comparable to ours, will create markets for our goods and safeguard American jobs.

Just as we impress upon the new states the importance of laws protecting private property, the environment and workers, we should also ensure that Western investment in the area does not inadvertently become the dupe of those former Communists who want to grab all the resources for themselves, with no regard for equity, political stability, or the environment.

I am reminded of a scene from Solzhenitsyn's classic novel of life in a Soviet prison camp, "One Day in the Life of Ivan Denisovich." Solzhenitsyn describes the effort a squad leader put into work reports. As Solzhenitsyn writes, the squad leader "had to prove that work which hadn't been done had been done." This ensured that the camp got "thousands of extra rubbles * * * and so could give higher bonuses to its guard-lieutenants, such as to Volkovoi for using his whip." And the prisoners? All they got, according to Solzhenitsyn, was an "extra six ounces of bread. * * *"

This scene is a suitable metaphor for what can happen as former Communist bosses grab hold of assets. We must ensure that Western investors do not inadvertently become party to such enterprises. I believe it would be helpful to devise a list of principles to guide businesses as they invest in the new states. These principles would be drawn up in concert with American business, and would be adopted by all nations doing business in the former Soviet Union. The time has come to establish guidelines for doing business in the former Soviet Union, to establish guidelines to ensure the creation of a strong democracy, a healthy economy, to a large stable affluent middle class to purchase our commodities.

Let me turn now to agricultural issues. When Ambassador Armitage testified this spring, he discussed how the international community is sharing responsibility for aiding the former Soviet Union and pointed out that agriculture is an area where the United States can be very effective. We have a competitive advantage here which we should press. This comes as no surprise to a Senator from a rural State: I know that U.S. agriculture is the best in the world. The needs of the new states in this area are immense and we have got to find ways to match our skills and products with their needs. Our suppliers and our agribusiness can reap great benefit to supplying their developing agribusiness.

With authorities the U.S. Department of Agriculture already has, and with the technical assistance and additional authorities provided in this bill, the United States can mobilize the agricultural sector of the economies in these new states. We must do so. Nothing destabilizes a fragile government more than dashed hopes and empty stomachs. By improving their agricultural sector, we bolster their drive to freedom and democracy and hence our own security. At the same time, as I will say over and over again, helping them helps us economically. American farmers need new markets for their products. We have the dairy products, grains, meats, tractors, and know-how they need. Even so, we may lose this opportunity to the EC and others if USDA does not use the authorities it already has to make our products competitive.

Let me give you one example. The Prime Minister of Kazakhstan has written to the Senate Agriculture Committee for help in buying United States heifers. Our heifers are three times more productive than those in the former Soviet Union, and Kazakhstan is willing to pay more per head for them. But the sale has not gone through because USDA refuses to put its heifer export program in gear. As USDA dithers, other countries are offering heifers at prices Kazakhstan may not be able to turn down. I call on USDA to use the authority it already has through the Export Enhancement Program to run a heifer export program with the newly independent states. The sense of Congress is clear on this point. Section 7 of this bill stresses that the export of farm animals should be a central part of our assistance to the former Soviet Union. The point is underscored again in the technical amendments to this bill where the current definition of agricultural commodities is expanded to include livestock. Let us get on the stick. Let us not lose a sale, and potentially an entire market for U.S. farm animals, by being late off the block. A heifer export program is a prime way to make foreign aid advantageous to American people.

Mr. President, let me turn now to another way this bill can help America's farmers. In November of 1991, I introduced the Food for Enterprise Act, an innovative way to get two bangs for every buck of food aid we provide the new states. This program was inspired by the testimony of Jack Matlock, former United States Ambassador to the Soviet Union. Under the Food for Enterprise Act, the new states would be required to establish a revolving loan fund in exchange for food from the Commodity Credit Corporation [CCC] stocks of dairy and other products. Enterpreneurs could borrow from the fund, the preference given to those in food distribution or production. When the term of the CCC loan expires, the new states would be required to repay the United States, either in real dollars or in an equivalent amount of a marketable commodity such as oil or gold. Food for Enterprise thus feeds the people and helps establish private agriculture, without any dollars leaving the United States. At the same time, American farmers get a break.

I am pleased to see that the objectives of Food for Enterprise can be achieved through this bill. One of the technical amendments to this bill allows the Commodity Credit Corporation to monetize the sale of commodities for development purposes. I urge

USDA to use this authority immediately. It simply makes sense. Why give away what we can loan, and why provide just food when we can use this food as capital for development?

This is a time for creativity, for boldness, for courage, and for celebration. Freedom has triumphed over tyranny. Yet, the confidence the Nation should have after such a victory seems strangely tempered by uncertainty. With this bill today, we have the opportunity to be the wise men of our generation. Like George Kennan, Dean Atcheson, Charles Bohlen, and the other wise men of the postwar period, we must begin to stir hope here at home by creating concrete plans of action. At this turning point in history, we must let America and the world know where we stand, what we believe in and where we are going. We must declare what we know to be true: that the health of these great United States is linked inextricably to the state of the world. The choice is not whether to focus on domestic issues or international ones; not whether to rebuild Los Angeles or provide technical assistance to the newly independent states of Europe. The question is only how to aid the newly independent states of our former adversary in a way that directly benefits the United States: politically, militarily, and economically. The decision today is whether we choose to be leaders.

Mr. President, I thank you for your patience and I yield the floor.

ORDERS FOR TOMORROW

Mr. DASCHLE. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m., Tuesday, June 30; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each; that immediately following the Chair's announcement Senator BIDEN be recognized to speak for 1½ hours, with Senators ADAMS, HEFLIN, and GORTON recognized for up to 10 minutes each; Senator WARNER or his designee for up to 30 minutes; and Senator LEAHY for up to 15 minutes; that on Tuesday, the Senate stand in recess from 12:30 to 2:15 p.m., in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:30 a.m. tomorrow.

Whereupon, the Senate, at 7:20 p.m., recessed until Tuesday, June 30, 1992 at 9:30 a.m.

NOMINATIONS

Executive Nominations received by the Secretary of the Senate after the recess of the Senate on June 26, 1992, under authority of the order of the Senate of January 3, 1991:

DEPARTMENT OF ENERGY

HUGO POMREHN, OF CALIFORNIA, TO BE UNDER SECRETARY OF ENERGY, VICE JOHN CHATFIELD TUCK, RESIGNED.

DEPARTMENT OF JUSTICE

JOHN A. MENDEZ, OF CALIFORNIA, TO BE U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF CALIFORNIA FOR THE TERM OF 4 YEARS VICE JOSEPH P. RUSSONIELLO, RESIGNED.

STATE JUSTICE INSTITUTE

TERRENCE B. ADAMSON, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1994. (REAPPOINTMENT)

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

KATHRYN D. SULLIVAN, OF CALIFORNIA, TO BE CHIEF SCIENTIST OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, VICE SYLVIA ALICE EARLE, RESIGNED.

FEDERAL DEPOSIT INSURANCE CORPORATION

C. C. HOPE, JR., OF NORTH CAROLINA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION FOR A TERM EXPIRING FEBRUARY 28, 1993. (REAPPOINTMENT)